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HOUSING NEEDS OF HISPANICS

HEARING
BEFORE THE
SUBCOMMITTEE ON
HOUSING AND COMMUNITY DEVELOPMENT
OF THE
COMMITTEE ON
BANKING, FINANCE AND URBAN AFFAIRS
HOUSE OF REPRESENTATIVES
NINETY-NINTH CONGRESS
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HOUSING NEEDS OF HISPANICS

WEDNESDAY, SEPTEMBER 18, 1985

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT,
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS,
Washington, DC.

The subcommittee met at 1 p.m., in room 2222 of the Rayburn House Office Building, Hon. Henry B. Gonzalez (chairman of the subcommittee) presiding.

Present: Chairman Gonzalez; Representatives Garcia, Carper, Torres, and Fuster.

Chairman GONZALEZ. The committee will please come to order. Some of the members of the subcommittee have indicated that they will be here this afternoon. In the meantime, though, I think we can get some of the preliminaries out of the way.

This hearing is convened as part of the congressional observance of Hispanic Heritage Week.

Those of us who are members of the Hispanic caucus take great pride in our heritage, but we also must deal constantly with the reality that our heritage includes economic and social deprivation. This hearing will explore the housing conditions and needs of Hispanic Americans.

Housing conditions for the poor are substandard more often than not. The poor pay more and get less. According to the Congressional Research Service, almost 1 out of 5 Hispanic renters paid almost one-third of their income for rent, but still lived in overcrowded units.

Today, witnesses from around the country, including New York, Miami, Boston, east Los Angeles, Chicago, and Washington, will give their assessment of housing needs and conditions in those areas. Additionally, we will obtain information on rural housing needs.

It is evident that for all the poor, housing needs are urgent and largely unmet. While the need grows, Federal programs are shrinking. This represents a vast American tragedy, one that disproportionately affects Hispanics who are disproportionately poor.

I welcome the witnesses we are about to hear, but before turning to their statements, I wish to include in the hearing record two reports by the Congressional Research Service, entitled "Housing Conditions of Hispanic Americans" and "Hispanic Children in Poverty."

[The reports referred to follow:]



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HOUSING CONDITIONS OF HISPANIC AMERICANS

Susan Vanhorenbeck
Analyst in Housing
Economics Division
September 16, 1985

HOUSING CONDITIONS OF HISPANIC AMERICANS

The purpose of this report is to examine and compare the housing conditions of Hispanic American households with those of all households in the United States. This will be done by means of Census information collected in the Annual Housing Surveys of 1970, 1973, 1980, and 1983. The numbers discussed in this report are contained in the ten tables that are attached to the report.

At the onset of this paper, it is necessary to define how the terms "Hispanic," or "Spanish-origin," households, as used in the context of this report, were developed. (They will be used interchangeably in this report.) One should begin by realizing that there were differences in the way estimated counts of Spanish-origin households were defined by the 1983 Annual Housing Survey and the other surveys (1970, 1973, and 1980) used in this report. In the 1983 survey, Spanish origin was determined on the basis of responses to a question that asked for self-identification of a person's origin or descent. Persons of Spanish origin were counted as those who indicated that their origin was either Mexican American, Chicano, Mexican, Mexicano, Cuban, Puerto Rican, Central or South American, or other Spanish. In the earlier surveys, Spanish-origin was determined by various criteria, including birthplace, birthplace of parents, language, and surname. ^{1/}

It may help to examine other economic data about Spanish households, before comparing the housing conditions of Hispanic Americans with those of other

^{1/} U.S. Department of Commerce. Bureau of the Census. 1983 Annual Housing Survey. Washington, 1984. Part A, p. App-7.

American households, so that a general background of their housing situation might be realized.

In 1983 (based on a provisional total obtained from the Bureau of the Census), the U.S. Spanish population was comprised of 15.9 million people totaling 6.9 percent of the U.S. population. In comparing the education of the Spanish population with that of all Americans, we can see that in 1983 the Spanish population had obtained considerably less formal education than the population in general. In looking at all persons of the United States age 25 and over, we see that 15 percent have achieved only an elementary education. In the Spanish population, approximately 40 percent have no education above the elementary level. Similarly, 38 percent of the U.S. population had completed high school, while of the Hispanic population, only 27 percent had achieved this level. College graduates comprised 19 percent of the U.S. population, but only 8 percent of the Hispanic population.

In terms of employment, the Spanish population has not fared as well as the U.S. population in general. In 1983, the Census Bureau estimated that 10.9 percent of all persons age 16 and over in the work force were unemployed, compared to 16.3 percent of this same age group in the Spanish population. In 1983, 15 percent of all Americans lived below the poverty level. In this same year, approximately 30 percent of the Hispanic population lived in poverty. We now examine and compare the housing conditions of Hispanic Americans.

In 1983, there were 84.6 million occupied, year-round housing units in the United States. Of these, 5 percent (4.594 million units) were occupied by 1 or more people of Spanish origin. Approximately 65 percent of all households were owner-occupied, while of the Spanish segment, 43 percent were owner-occupied households. When looking at statistics from 1970 through 1983, we see that the percentage of owner-occupied units in Hispanic households declined from 44

percent in 1970, to 43 percent in 1973, and to 42 percent in 1980. From 1980 to 1983, there was a 1 percent increase of Spanish homeownership. This increase in homeownership was primarily in the Northeast and Southern regions of the country. During this same time period, homeownership increased for all households until 1983, when a 1 percent decline in homeownership occurred. This decline was evidenced in all regions of the United States.

Housing units occupied by persons of Spanish origin tend to be smaller than the average of all occupied units. In 1983, the median number of rooms per house in the United States was 5.8 in owner-occupied units and 4.0 in rental units. For those occupied by Hispanic households, the median number of rooms was 5.4 in owner-occupied units, while rental units averaged 4.0 rooms, the same as that for all households. The difference in size of the housing structure would not be so significant except that the median number of persons living in each unit was much higher in Spanish households. When looking at all households, we see that from 1970 to 1983 the number of persons living in each unit, owned or rented, has declined. In 1983, the median number of persons in owner-occupied houses was 2.5 and in rental 2.0. In Spanish households, the median number of persons per unit was 3.6 in owner-occupied units and 3.0 in rental units. In Spanish households, the number of persons in owner-occupied housing has decreased somewhat, but in rental housing, the number of persons per unit has increased since 1980. As a result, when using the standard of 1.01 or more persons per room as a measurement of overcrowding, we see that, in 1983, 2 percent of all owner-occupied households and 6 percent of all rental units were overcrowded, while in the Hispanic population, 11 percent of owned units and 18 percent of rented units were overcrowded.

One reason for the higher average number of persons in Spanish households is the presence of subfamilies. In 1983, 4 percent of Hispanic owner-occupied

households reported the presence of 1 or more subfamilies, with the majority of them being located in the southern and western regions of the country. In rental units, 2 percent reported subfamilies present; the majority of these were also found in the southern and western regions. This count of subfamilies, however, does show an improvement over the count taken in the 1980 Census. When looking at previous years, we can see what the number of subfamilies in both owned and rented housing increased from 1970 through 1980 and then decreased in 1983.

Probably more significant than subfamilies is the presence of relatives or non-relatives living with the nuclear Hispanic family. Seventeen percent of owner-occupied Spanish households and 23 percent of rental households reported some other persons living in the household in 1983. This number has declined by 1 percent since 1980. In every year between 1970 and 1980, there had been an increase. The number of persons in rental units has remained about the same since 1980; previously that figure also had increased steadily. Again, this type of overcrowding is most evidenced in the southern and western regions of the country. We should also note here that even though overcrowding does not seem to be a problem for the general population, when looking at statistics for all households, we see an increase over the years in the number of relatives and non-relatives living with all households. In owner-occupied units this number has increased from 8 percent in 1973 to 12 percent in 1983, and in rental units from 10 percent in 1973 to 18 percent in 1983. This type of extended household is seen most often in the South and West in owner-occupied households, and in the East in rental units.

The age of housing units is basically the same for owner-occupied units of all American households and Hispanic American households. The age of rental units also is basically the same. However, the majority of those occupied by

Hispanics (94 percent) have been built in 1949 or earlier, and are in a more advanced state of deterioration.

The only measurement of substandard housing which is more evident in all households than in Hispanic households is lack of plumbing facilities. While plumbing facilities have improved in rental housing for all households, including Hispanics, there is still a lack of facilities, particularly in the South. In 1983, 3 percent of all rental households had no plumbing facilities while 2 percent of all Hispanic rental households had no plumbing. Cracks and holes, broken plaster, and peeling paint are seen more often in Hispanic households than in all households. In 1983, 11 percent of all renter-occupied units showed evidence of open cracks and holes, 6 percent had broken plaster, and 8 percent had peeling paint. In Hispanic households, the comparable figures were 16 percent for cracks and holes, ranging to as high as 24 percent in the Northeast; 10 percent with broken plaster, reaching a high level of 17 percent in the Northeast; and 12 percent having peeling paint, ranging to a high of 20 percent in the Northeast. For all of these categories that measure substandard housing, from 1970 to 1983 there has been much improvement in Hispanic households of the Midwest, moderate improvement in the South, and considerable deterioration in the rental units of the Northeast and West.

The composition of the Hispanic household has also changed considerably since 1970. In 1970, 93 percent of all owner-occupied households were 2 or more person households. In 1983, 91 percent were two or more person households. The decline in 2 or more person households was also seen in all households, which declined from 88 percent in 1970 to 84 percent in 1983. The number of 2 or more person female-headed, owner-occupied households remained the same, 10 percent in Hispanic households and 8 percent in all households from 1970 to 1983. In renter-occupied housing, the number of 2 or more person households has also

declined for all households, from 73 percent in 1970 to 66 percent in 1983, and in Hispanic households, from 85 percent in 1970 to 83 percent in 1983. Probably the most significant change in the composition of households occurred in the number of married renter households and female-headed renter households. In 1970, 54 percent of all 2 or more person rental households were married families. In 1983, this number declined to 40 percent. Also, in 1970, 14 percent of all 2 or more person rental households were made up of female-headed families; by 1983 this number had increased to 19 percent, showing quite a change in family composition.

In 1970, 72 percent of Hispanic rental households of 2 or more persons were married families. In 1983, this number declined to 59 percent. Also in 1970, 21 percent of Hispanic rental households of 2 or more persons were female-headed families; by 1983 this number had increased to 29 percent. Thus, there seems to be a trend in both groups away from the conventional married family rental household.

Along with this change in family composition, there have been changes in the size of families. Since 1970, there has been a noticeable decrease in the number of children in both owner-occupied and rental households. In 1970, 47 percent of all owner-occupied households had children; in 1983, only 38 percent reported children under 18 years of age. Also, the number of families having 3 or more children in owned housing has declined from 18 percent in 1970 to only 8 percent in 1983. In rental housing, the trend for all households is quite similar. In 1970, 40 percent of all renter-occupied households had children; in 1983, the figure was 35 percent. Again, the number of families having 3 or more children declined, from 15 percent in 1970 to 7 percent in 1983.

In Hispanic owner-occupied households, the number of children has also declined. In 1973 (earliest data available) 64 percent of all Hispanic

owner-occupied households had children; in 1983, this number had declined to 56 percent. The number of Hispanic-owner households housing 3 or more children also declined during this period, from 48 to 33 percent. In Hispanic rental housing, the number of households housing children also declined from 57 percent in 1973 to 55 percent in 1983. This was not a significant change for a 10-year period and it reveals that, compared to 40 percent for all households, over half of the rental households of Hispanics had children in 1983. In addition, the number of Hispanic rental households which had 3 or more children has actually increased since 1973, from 26 to 31 percent in 1983. This seems to demonstrate that, while fewer Hispanic rental households are having children, the ones who are, tend towards larger families.

As can be expected from reviewing the economic statistics presented earlier in this paper, the financial situations of Hispanic households is less favorable than that of all households. The income of Hispanic households, both owner- and renter-occupied, is lower than that of all households. The gap between the two groups, however, does seem to be narrowing for owner-occupied households. In 1970, the median income of Hispanic owner-occupied households was \$8500, 88 percent of that of all owner-occupied households; in 1983 the median income was \$22,100, 91 percent of all owner-occupied households. Quite the opposite, however, is true for rental households. In 1970, the median income of Hispanic rental households was \$5,700, 90 percent of the median of all rental households. In 1983 the median income of the Hispanic rental household was \$10,900, 88 percent of the median of all rental households.

The median monthly mortgage payments and rents of Hispanic households did not differ greatly from that of all households in 1983 except that, due to their lower incomes (particularly in rental households) a larger portion of that income is spent on housing costs. The median mortgage payment for mortgage-interest and

amortization by all owner-occupied households in 1983 was \$299 a month, with total housing costs (including debt service, taxes, insurance, utilities, fuel, etc.) averaging 20 percent of the household's income. In Hispanic owner-occupied units, the median mortgage payment was \$273 a month, while total housing costs averaging 22 percent of income. The median rent paid was \$315 for all renter-occupied units, and \$311 for all rental units with householders of Spanish origin. However, while all renter households, on average, paid 29 percent of their income as rent, Spanish households, on average, paid 32 percent. The median rate was as high as 35 percent in the Northeast, where Hispanics have the poorest rental conditions.

In examining the housing conditions of the Hispanics on a regional level, we can see that those Hispanics living in the West tend to live in better housing than those in the Northeast. The structures of the Northeast are older and appear to be in a more deteriorated condition. The mortgages and housing costs in the Northeast tend to be higher, while the values of the homes tend to be lower. In 1983 the median value of a Hispanic-owned home in the Northeast was \$60,200; in the West, the value was \$79,500. At the same time, the median mortgage payments in the Northeast was \$330, while in the West it was \$327. Total housing costs in the Northeast for owners were \$525; in the West they averaged \$448. Tables at the end of this report provide a further comparison of Hispanic housing in all regions of the United States.

To summarize, we can say that the Hispanic population tends to live in larger household groups, because of the presence of relatives, subfamilies and a larger number of children, than does the rest of the population. They tend to live in smaller, older housing units which are, for the most part, rental rather than owned. Their houses have fewer rooms and more persons per unit than those occupied by non-Hispanic households. The majority of the renter households are

living in private, non-subsidized units and are paying over 30 percent of their incomes for rent. Factors such as relatively low income, larger families, possible discrimination, higher unemployment, and language barriers may decrease the Hispanics' ability to improve their housing situation. Given the statistics of the past 13 years, the magnitude of needed improvements in Hispanic housing may not be expected to decrease significantly in the near future.

TABLE 1. Housing Characteristics of All Owner-occupied Households
in the United States, 1970-1983
(numbers in thousands)

	1970	1973	1980	1983
Number of occupied units	63,445	69,337	80,072	84,638
Owner-occupied	39,885 (63%)	44,653 (64%)	52,516 (66%)	54,724 (65%)
Median number of rooms per unit	5.6	5.7	5.8	5.8
Median number of persons per unit	3.0	2.8	2.6	2.5
Overcrowded units	2,567 (6%)	2,121 (5%)	1,631 (3%)	1,254 (2%)
Household Composition				
2 or more persons	35,124 (88%)	38,460 (86%)	44,362 (85%)	45,895 (84%)
- married with male head	30,806 (77%)	33,689 (75%)	37,509 (71%)	39,073 (71%)
- female head	3,019 (8%)	3,139 (7%)	5,027 (10%)	4,497 (8%)
Children present	18,797 (47%)	20,420 (46%)	21,664 (41%)	20,913 (38%)
- 3 or more present	7,042 (18%)	6,900 (15%)	4,988 (9%)	4,311 (8%)
Subfamilies present	N/A	614 (1%)	1,046 (2%)	982 (2%)
Relatives and non- relatives present	N/A	3,682 (8%)	5,907 (11%)	6,309 (12%)
Structures built 1949 or earlier	19,188 (48%)	18,892 (42%)	18,564 (35%)	18,525 (34%)
Substandard features:				
Lacking Plumbing	1,662 (4%)	1,033 (2%)	765 (1%)	746 (1%)
Lacking Heat	145 (-)	161 (-)	225 (-)	256 (-)
Cracks and holes	N/A	N/A	1,459 (3%)	1,862 (2%)
Broken plaster	N/A	N/A	1,017 (2%)	1,255 (2%)
Peeling paint	N/A	N/A	1,158 (2%)	1,428 (3%)
Financial Characteristics:				
Median Income of household	\$9,700	\$11,500	\$19,800	\$24,400
Median Value of Property	17,100	24,100	51,300	59,700
Median Mortgage Payment	N/A	N/A	240	299
Median Housing Costs*	N/A	N/A	367	463
Median Housing Costs As Percent of Income	N/A	N/A	19%	20%

* Includes payments of real estate taxes, property insurance, utilities, fuel, water, garbage collection, and mortgage at time of survey.

TABLE 2. Housing Characteristics of Hispanic Owner-occupied Households in the United States, 1970-1983
(numbers in thousands)

	1970	1973	1980	1983
Number of occupied units	2,253	2,754	4,081	4,594
Owner-occupied	979 (44%)	1,189 (43%)	1,732 (42%)	1,977 (43%)
Median number of rooms per unit	5.2	5.2	5.4	5.4
Median number of persons per unit	4.0	3.9	3.8	3.6
Overcrowded units	224 (23%)	234 (20%)	272 (16%)	222 (11%)
Household Composition				
2 or more persons	913 (93%)	1,115 (94%)	1,598 (92%)	1,802 (91%)
- married with male head	781 (86%)	961 (86%)	1,338 (84%)	1,525 (85%)
- female head	91 (10%)	102 (9%)	173 (11%)	189 (10%)
Children present	N/A	764 (64%)	1,058 (61%)	869 (44%)
- 3 or more present	N/A	367 (48%)	374 (35%)	362 (33%)
Subfamilies present	N/A	42 (3%)	89 (5%)	79 (4%)
Relatives and non-relatives present	N/A	134 (11%)	312 (18%)	332 (17%)
Structures built 1949 or earlier	438 (45%)	430 (36%)	570 (33%)	638 (32%)
Substandard features:				
Lacking Plumbing	62 (6%)	33 (3%)	30 (2%)	29 (1%)
Lacking Heat	N/A	27 (2%)	34 (2%)	48 (2%)
Cracks and holes	N/A	N/A	93 (5%)	109 (6%)
Broken plaster	N/A	N/A	51 (3%)	66 (3%)
Peeling paint	N/A	N/A	74 (4%)	81 (4%)
Financial Characteristics:				
Median Income of household	\$8,500	\$9,800	\$18,200	\$22,100
Median Value of Property	13,700	19,800	48,200	60,100
Median Mortgage Payment	N/A	N/A	225	273
Median Housing Costs*	N/A	N/A	332	421
Median Housing Costs As Percent of Income	N/A	N/A	21%	22%

* Includes payments of real estate taxes, property insurance, utilities, fuel, water, garbage collection, and mortgage at time of survey.

TABLE 3. Housing Characteristics of All Renter-occupied Households in the United States, 1970-1983
(numbers in thousands)

	1970	1973	1980	1983
Number of occupied units	63,445	69,337	80,072	84,638
Renter-occupied	23,560 (37%)	24,684 (36%)	27,556 (34%)	29,914 (35%)
Median number of rooms per unit	4.0	4.0	4.0	4.0
Median number of persons per unit	2.3	2.1	2.0	2.0
Overcrowded units	2,494 (11%)	1,732 (7%)	1,605 (6%)	1,674 (6%)
Household Composition				
2 or more persons	17,171 (73%)	16,968 (69%)	17,772 (64%)	19,757 (66%)
- married with male head	12,759 (54%)	11,831 (50%)	9,818 (36%)	11,848 (40%)
- female head	3,270 (14%)	3,738 (15%)	5,716 (21%)	5,794 (19%)
Children present	9,313 (40%)	9,071 (37%)	9,109 (30%)	10,360 (35%)
- 3 or more present	3,121 (13%)	2,625 (11%)	2,080 (8%)	2,193 (7%)
Subfamilies present	N/A	192 (1%)	408 (1%)	308 (1%)
Relatives and non-relatives present	N/A	2,580 (10%)	4,800 (17%)	5,328 (18%)
Structures built 1949 or earlier	14,625 (62%)	13,764 (56%)	13,115 (48%)	13,640 (46%)
Substandard features:				
Lacking Plumbing	1,849 (8%)	1,438 (6%)	988 (4%)	875 (3%)
Lacking Heat	252 (1%)	291 (1%)	388 (1%)	421 (1%)
Cracks and holes	N/A	N/A	3,000 (11%)	3,348 (11%)
Broken plaster	N/A	N/A	1,801 (7%)	1,923 (6%)
Peeling paint	N/A	N/A	2,223 (8%)	2,254 (8%)
Financial Characteristics:				
Median Income of household	\$6,300	\$7,200	\$10,500	\$12,400
Median Rent	108	133	241	315
Median Rent As Percent of Income	20%	22%	27%	29%

TABLE 4. Housing Characteristics of Hispanic Renter-occupied Households in the United States, 1970-1983
(numbers in thousands)

	1970	1973	1980	1983
Number of occupied units	2,253	2,754	4,081	4,594
Renter-occupied	1,273 (56%)	1,565 (57%)	2,349 (58%)	2,617 (57%)
Median number of rooms per unit	3.9	3.9	3.9	4.0
Median number of persons per unit	3.3	2.9	2.9	3.0
Overcrowded units	355 (28%)	322 (21%)	513 (22%)	481 (18%)
Household Composition				
2 or more persons	1,088 (85%)	1,318 (84%)	1,935 (82%)	2,161 (83%)
- married with male head	784 (72%)	890 (68%)	1,065 (55%)	1,282 (59%)
- female head	229 (21%)	315 (24%)	612 (32%)	636 (29%)
Children present	N/A	887 (57%)	1,258 (54%)	1,429 (55%)
- 3 or more present	N/A	338 (26%)	408 (32%)	369 (31%)
Subfamilies present	N/A	19 (1%)	77 (3%)	52 (2%)
Relatives and non-relatives present	N/A	213 (14%)	543 (23%)	594 (23%)
Structures built 1949 or earlier	870 (68%)	967 (62%)	1,265 (54%)	1,417 (54%)
Substandard features:				
Lacking Plumbing	86 (7%)	70 (4%)	70 (3%)	63 (2%)
Lacking Heat	N/A	69 (4%)	126 (5%)	119 (5%)
Cracks and holes	N/A	N/A	334 (14%)	420 (16%)
Broken plaster	N/A	N/A	232 (10%)	273 (10%)
Peeling paint	N/A	N/A	294 (13%)	312 (12%)
Financial Characteristics:				
Median Income of household	\$5,700	\$6,500	\$9,400	\$10,900
Median Rent	98	127	229	311
Median Rent As Percent of Income	21%	23%	30%	32%

TABLE 5. Selected Housing Characteristics of All Households and Hispanic Households of the Northeastern United States, 1970-1983 (numbers in thousands)

	1970		1973		1980		1983	
	All U.S.	Hispanic	All U.S.	Hispanic	All U.S.	Hispanic	All U.S.	Hispanic
Number of								
Occupied units	15,403	525	16,152	504	17,264	772	18,221	893
Owner-occupied	9,917 (50%)	93 (18%)	9,555 (50%)	81 (14%)	10,400 (61%)	127 (16%)	11,009 (60%)	155 (17%)
Renter-occupied	5,566 (42%)	433 (82%)	6,597 (41%)	503 (86%)	6,704 (39%)	645 (84%)	7,212 (40%)	738 (83%)
Structure built in								
1949 or earlier								
Owner-occupied	5,160 (50%)	55 (50%)	5,272 (55%)	76 (56%)	5,365 (51%)	165 (60%)	5,436 (49%)	161 (42%)
Renter-occupied	4,907 (73%)	355 (82%)	4,792 (73%)	106 (78%)	4,526 (67%)	164 (57%)	4,790 (66%)	265 (59%)
Subfacilities present								
Owner-occupied	N/A	N/A	166 (2%)	3 (2%)	233 (2%)	10 (6%)	228 (2%)	3 (2%)
Renter-occupied	N/A	N/A	30 (1%)	3 (-)	86 (1%)	21 (3%)	51 (1%)	3 (-)
Relative and non-								
relatives present								
Owner-occupied	N/A	N/A	913 (10%)	9 (11%)	1,307 (12%)	26 (20%)	1,342 (12%)	23 (15%)
Renter-occupied	N/A	N/A	667 (10%)	59 (12%)	1,062 (16%)	110 (18%)	1,164 (16%)	139 (19%)
Overcrowded units								
Owner-occupied	414 (5%)	10 (11%)	342 (6%)	10 (12%)	261 (2%)	16 (13%)	183 (2%)	9 (6%)
Renter-occupied	563 (9%)	104 (26%)	596 (9%)	90 (18%)	336 (5%)	84 (13%)	366 (5%)	93 (13%)
Lacking plumbing								
Owner-occupied	104 (2%)	2 (2%)	99 (1%)	0	83 (1%)	0	89 (1%)	0
Renter-occupied	563 (9%)	15 (4%)	244 (4%)	19 (4%)	206 (3%)	10 (2%)	197 (3%)	9 (1%)
Lacking heat								
Owner-occupied	1 (-)	N/A	3 (-)	0	0	0	1 (-)	0
Renter-occupied	3 (-)	N/A	9 (-)	0	0	0	5 (-)	0
Crocks and holes								
Owner-occupied	N/A	N/A	N/A	N/A	292 (1%)	7 (6%)	325 (3%)	4 (3%)
Renter-occupied	N/A	N/A	N/A	N/A	911 (13%)	143 (22%)	989 (14%)	176 (24%)
Broken plaster								
Owner-occupied	N/A	N/A	N/A	N/A	232 (2%)	3 (2%)	266 (2%)	2 (1%)
Renter-occupied	N/A	N/A	N/A	N/A	628 (9%)	96 (15%)	701 (10%)	136 (17%)
Peeling paint								
Owner-occupied	N/A	N/A	N/A	N/A	235 (2%)	3 (2%)	277 (3%)	2 (1%)
Renter-occupied	N/A	N/A	N/A	N/A	749 (11%)	131 (19%)	812 (11%)	126 (17%)
Median income								
Owner-occupied \$10,000	\$10,000	\$10,600	\$12,600	\$13,100	\$15,200	\$20,500	\$26,300	\$34,800
Renter-occupied \$,000	6,000	5,800	7,800	7,100	10,600	8,000	12,600	9,700
Others								
Median value of								
owned units	\$19,500	\$20,300	\$29,400	\$31,000	\$31,500	\$49,900	\$61,900	\$80,200
Median mortgage								
payment	N/A	N/A	N/A	N/A	\$284	\$319	\$303	\$330
Monthly housing								
costs	N/A	N/A	N/A	N/A	\$403	\$473	\$503	\$523
Monthly housing								
costs as Percent								
of income	N/A	N/A	N/A	N/A	30%	34%	20%	23%
Median monthly								
rent	\$120	\$101	\$140	\$139	\$246	\$234	\$326	\$299
Median rent as Per-								
cent of income	20%	21%	21%	23%	27%	31%	29%	35%

Source: Compiled by CRS from information in U.S. Department of Commerce, Bureau of the Census. Annual Housing Survey, 1970, 1973, 1980, and 1983.

TABLE 6. Selected Housing Characteristics of All Households and Hispanic Households of the Midwestern United States, 1970-1983 (numbers in thousands)

	1970		1973		1980		1983	
	All U.S.	Hispanic	All U.S.	Hispanic	All U.S.	Hispanic	All U.S.	Hispanic
Number of Occupied Units	17,325	272	18,742	220	20,843	299	21,618	338
Owner-occupied	11,932 (68%)	136 (50%)	12,945 (69%)	95 (43%)	14,516 (70%)	133 (45%)	14,939 (69%)	153 (45%)
Renter-occupied	5,613 (32%)	136 (50%)	5,797 (31%)	125 (57%)	6,226 (30%)	166 (55%)	6,683 (31%)	205 (57%)
Structures built in 1949 or earlier								
Owner-occupied	6,383 (53%)	76 (56%)	6,431 (50%)	50 (53%)	6,310 (43%)	64 (63%)	6,168 (61%)	99 (63%)
Renter-occupied	3,833 (68%)	106 (78%)	5,566 (61%)	92 (74%)	3,328 (53%)	118 (71%)	3,411 (51%)	145 (71%)
Subfamilies present								
Owner-occupied	N/A	N/A	118 (1%)	3 (3%)	206 (1%)	3 (4%)	160 (1%)	5 (3%)
Renter-occupied	N/A	N/A	38 (-)	3 (2%)	96 (1%)	4 (4%)	49 (1%)	2 (1%)
Relatives and non-relatives present								
Owner-occupied	N/A	N/A	890 (7%)	4 (6%)	1,358 (9%)	24 (18%)	1,328 (9%)	27 (18%)
Renter-occupied	N/A	N/A	541 (9%)	13 (10%)	977 (16%)	49 (30%)	1,001 (15%)	53 (24%)
Overcrowded units								
Owner-occupied	789 (7%)	22 (16%)	596 (3%)	19 (20%)	377 (3%)	10 (8%)	266 (2%)	6 (4%)
Renter-occupied	440 (8%)	27 (20%)	290 (5%)	20 (16%)	349 (4%)	30 (18%)	247 (4%)	25 (12%)
Lacking Plumbing								
Owner-occupied	615 (3%)	4 (3%)	375 (2%)	3 (3%)	150 (1%)	2 (2%)	143 (1%)	2 (1%)
Renter-occupied	374 (7%)	8 (6%)	306 (5%)	7 (6%)	169 (3%)	6 (4%)	137 (2%)	7 (3%)
Lacking Heat								
Owner-occupied	58 (-)	N/A	67 (1%)	0	0	1 (1%)	2 (-)	0
Renter-occupied	4 (-)	N/A	4 (-)	1 (1%)	0	1 (1%)	3 (-)	0
Cracks and Holes								
Owner-occupied	N/A	N/A	N/A	N/A	382 (3%)	5 (4%)	450 (3%)	3 (3%)
Renter-occupied	N/A	N/A	N/A	N/A	611 (10%)	36 (20%)	590 (9%)	22 (10%)
Broken Floors								
Owner-occupied	N/A	N/A	N/A	N/A	339 (2%)	7 (5%)	373 (2%)	4 (4%)
Renter-occupied	N/A	N/A	N/A	N/A	412 (7%)	26 (16%)	360 (5%)	12 (6%)
Peeling Paint								
Owner-occupied	N/A	N/A	N/A	N/A	336 (2%)	6 (2%)	432 (3%)	7 (5%)
Renter-occupied	N/A	N/A	N/A	N/A	517 (8%)	23 (15%)	412 (6%)	15 (7%)
Median Income								
Owner-occupied	\$10,000	\$10,000	\$11,700	\$11,400	\$19,800	\$16,700	\$24,300	\$20,900
Renter-occupied	6,700	7,000	7,400	6,800	10,100	9,900	11,800	10,000
Owners								
Median Value of owned units	\$16,700	\$14,900	\$22,800	\$18,600	\$46,000	\$33,400	\$55,300	\$38,900
Median Mortgage Payment	N/A	N/A	N/A	N/A	\$232	\$192	\$283	\$242
Monthly Housing Costs	N/A	N/A	N/A	N/A	\$359	\$304	\$453	\$397
Monthly Housing Costs as Percent of Income	N/A	N/A	N/A	N/A	19%	19%	20%	23%
Renters								
Median Monthly Rent	\$110	\$107	\$131	\$121	\$130	\$138	\$186	\$170
Median Rent as Percent of Income	20%	18%	21%	21%	26%	25%	28%	34%

Source: Compiled by CRS from information in U.S. Department of Commerce, Bureau of the Census. Annual Housing Survey, 1970, 1973, 1980, and 1983.

TABLE 7. Selected Housing Characteristics of All Households and Hispanic Households of the Southern United States, 1970-1983 (numbers in thousands)

	1970		1973		1980		1983	
	All U.S.	Hispanic	All U.S.	Hispanic	All U.S.	Hispanic	All U.S.	Hispanic
Number of Occupied Units	19,257	653	21,805	819	26,286	1,354	27,931	1,480
Owner-occupied	12,456 (65%)	366 (56%)	14,498 (67%)	450 (55%)	17,948 (68%)	723 (53%)	18,825 (67%)	830 (56%)
Renter-occupied	6,801 (35%)	287 (44%)	7,307 (33%)	369 (45%)	8,338 (32%)	631 (47%)	9,106 (33%)	650 (44%)
Structure built in 1949 or earlier	4,926 (40%)	143 (60%)	4,794 (33%)	134 (30%)	4,571 (25%)	156 (22%)	4,566 (24%)	183 (22%)
Owner-occupied	3,499 (56%)	164 (57%)	3,353 (46%)	131 (41%)	3,048 (37%)	247 (27%)	3,106 (36%)	236 (36%)
Renter-occupied	N/A	N/A	260 (3%)	19 (4%)	463 (3%)	48 (7%)	401 (2%)	36 (4%)
Subfamilies present	N/A	N/A	95 (1%)	7 (2%)	195 (1%)	29 (5%)	443 (3%)	14 (2%)
Owner-occupied	N/A	N/A	1,235 (9%)	52 (12%)	2,226 (12%)	129 (18%)	2,403 (13%)	130 (16%)
Renter-occupied	N/A	N/A	812 (11%)	53 (14%)	1,369 (16%)	129 (20%)	1,737 (19%)	156 (24%)
Overcrowded units	915 (7%)	96 (26%)	795 (3%)	82 (18%)	676 (4%)	132 (18%)	564 (3%)	108 (13%)
Owner-occupied	675 (9%)	100 (35%)	675 (9%)	82 (22%)	597 (7%)	124 (20%)	431 (8%)	92 (14%)
Renter-occupied	967 (8%)	44 (12%)	620 (4%)	19 (4%)	487 (3%)	26 (4%)	464 (2%)	21 (3%)
Lacking Plumbing	1,039 (5%)	42 (15%)	740 (3%)	21 (6%)	496 (2%)	36 (6%)	435 (2%)	33 (5%)
Owner-occupied	37 (-)	N/A	43 (-)	13 (3%)	66 (-)	17 (3%)	83 (-)	31 (4%)
Renter-occupied	88 (1%)	N/A	123 (2%)	33 (9%)	149 (2%)	55 (9%)	181 (2%)	61 (9%)
Cracks and Holes	N/A	N/A	N/A	N/A	563 (3%)	49 (7%)	785 (4%)	68 (8%)
Owner-occupied	N/A	N/A	N/A	N/A	1,033 (12%)	74 (12%)	1,180 (13%)	96 (15%)
Renter-occupied	N/A	N/A	N/A	N/A	328 (2%)	35 (3%)	452 (2%)	38 (5%)
Broken Plaster	N/A	N/A	N/A	N/A	344 (7%)	56 (9%)	560 (6%)	42 (6%)
Owner-occupied	N/A	N/A	N/A	N/A	442 (2%)	39 (5%)	490 (3%)	41 (5%)
Renter-occupied	N/A	N/A	N/A	N/A	644 (8%)	75 (12%)	632 (7%)	54 (8%)
Peeling Paint	N/A	N/A	N/A	N/A	17,600	9,200	21,700	11,100
Owner-occupied	\$8,200	\$6,800	\$9,800	\$8,400	10,200	5,200	12,400	6,400
Renter-occupied	5,400	4,900	6,400	6,100	10,200	9,200	12,400	11,100
Median Income	\$13,600	\$9,500	\$19,800	\$14,900	\$43,700	\$35,500	\$52,100	\$42,900
Median Value of owned units	N/A	N/A	N/A	N/A	\$218	\$187	\$275	\$235
Median Mortgage Payment	N/A	N/A	N/A	N/A	\$335	\$298	\$428	\$382
Monthly Housing Costs	N/A	N/A	N/A	N/A	19%	20%	30%	21%
Monthly Housing Costs as Percent of Income	N/A	N/A	N/A	N/A	20%	20%	21%	29%
Median Monthly Rent	20%	20%	21%	24%	23%	23%	27%	29%
Median Rent as Percent of Income	20%	20%	21%	24%	23%	23%	27%	29%

Source: Compiled by CRS from information in U.S. Department of Commerce. Bureau of the Census. Annual Housing Survey, 1970, 1973, 1980, and 1983.

TABLE 8. Selected Housing Characteristics of All Households and Renter Households of the Western United States, 1970-1983 (numbers in thousands)

	1970		1975		1980		1983	
	All U.S.	Western	All U.S.	Western	All U.S.	Western	All U.S.	Western
Number of Occupied Units	11,000	402	10,400	3,121	10,600	3,026	10,000	2,802
Owner-occupied	6,300 (56%)	204 (48%)	5,921 (56%)	1,821 (58%)	5,672 (53%)	160 (48%)	5,252 (52%)	1,501 (53%)
Renter-occupied	4,700 (43%)	198 (49%)	4,479 (43%)	1,300 (42%)	4,928 (47%)	1,966 (65%)	4,748 (48%)	1,301 (47%)
Structure built in 1949 or earlier								
Owner-occupied	2,201 (35%)	101 (49%)	2,073 (35%)	601 (34%)	2,306 (41%)	551 (44%)	2,322 (44%)	560 (41%)
Renter-occupied	2,499 (53%)	100 (50%)	2,406 (53%)	699 (53%)	2,622 (53%)	1,415 (72%)	2,426 (51%)	641 (50%)
Subfamilies present								
Owner-occupied	870	870	91 (10%)	10 (10%)	145 (10%)	17 (10%)	183 (10%)	30 (10%)
Renter-occupied	870	870	10 (10%)	0 (0%)	70 (10%)	11 (10%)	86 (10%)	10 (10%)
Relatives and non-relatives present								
Owner-occupied	870	870	101 (10%)	12 (10%)	1,016 (10%)	130 (10%)	1,020 (10%)	151 (10%)
Renter-occupied	870	870	100 (10%)	17 (10%)	1,192 (10%)	147 (10%)	1,402 (10%)	200 (10%)
Overcrowded units								
Owner-occupied	160 (10%)	10 (10%)	160 (10%)	10 (10%)	160 (10%)	110 (10%)	160 (10%)	110 (10%)
Renter-occupied	160 (10%)	10 (10%)	160 (10%)	10 (10%)	160 (10%)	170 (10%)	160 (10%)	10 (10%)
Lacking Plumbing								
Owner-occupied	90 (10%)	10 (10%)	90 (10%)	10 (10%)	65 (10%)	2 (10%)	50 (10%)	5 (10%)
Renter-occupied	100 (10%)	10 (10%)	100 (10%)	10 (10%)	117 (10%)	10 (10%)	107 (10%)	10 (10%)
Lacking Heat								
Owner-occupied	101 (10%)	10 (10%)	110 (10%)	10 (10%)	150 (10%)	10 (10%)	100 (10%)	10 (10%)
Renter-occupied	100 (10%)	10 (10%)	100 (10%)	10 (10%)	101 (10%)	10 (10%)	101 (10%)	10 (10%)
Cracks and Holes								
Owner-occupied	870	870	870	870	100 (10%)	10 (10%)	100 (10%)	10 (10%)
Renter-occupied	870	870	870	870	100 (10%)	10 (10%)	100 (10%)	10 (10%)
Broken Plaster								
Owner-occupied	870	870	870	870	110 (10%)	10 (10%)	100 (10%)	10 (10%)
Renter-occupied	870	870	870	870	117 (10%)	10 (10%)	100 (10%)	10 (10%)
Peeling Paint								
Owner-occupied	870	870	870	870	100 (10%)	10 (10%)	100 (10%)	10 (10%)
Renter-occupied	870	870	870	870	100 (10%)	10 (10%)	100 (10%)	10 (10%)
Median Income								
Owner-occupied	\$10,700	\$10,000	\$10,700	\$10,000	\$10,700	\$10,000	\$10,000	\$10,000
Renter-occupied	\$6,000	\$5,000	\$6,000	\$6,000	\$11,000	\$10,000	\$11,000	\$11,000
Owners								
Median Value of owned units	\$20,000	\$18,000	\$17,000	\$18,000	\$17,000	\$17,000	\$18,000	\$18,000
Median Mortgage Payment	870	870	870	870	1007	1000	1071	1007
Monthly Housing Costs	870	870	870	870	1000	1000	1000	1000
Monthly Housing Costs as Percent of Income	870	870	870	870	100	100	100	100
Renters								
Median Monthly Rent	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Median Rent as Percent of Income	100	100	100	100	100	100	100	100

Source: Compiled by CRS from information in U.S. Department of Commerce, Bureau of the Census, Annual Housing Survey, 1970, 1973, 1980, and 1983.

TABLE 9. Percentage of all Rental Households in Subsidized and Unsubsidized Housing Units by Region 1980-1983*
(Numbers in thousands)

	Northeast	Midwest	South	West
<u>1980</u>				
Public Housing Units	611 (91)	449 (71)	672 (81)	275 (41)
Private Units with Subsidies	291 (41)	187 (31)	189 (21)	258 (41)
Units without Subsidies	5712 (851)	5269 (881)	6994 (871)	5506 (901)
<u>1983</u>				
Public Housing Units	639 (91)	325 (81)	797 (81)	309 (51)
Private Units with Subsidies	381 (51)	252 (41)	293 (31)	273 (41)
Units without Subsidies	6007 (841)	5582 (861)	7600 (861)	6094 (901)

TABLE 10. Percentage of Hispanic Rental Households in Subsidized and Unsubsidized Housing Units by Region, 1980-1983

	Northeast	Midwest	South	West
<u>1980</u>				
Public Housing Units	111 (171)	15 (91)	59 (101)	49 (51)
Private Units with Subsidies	49 (81)	3 (21)	17 (31)	26 (31)
Units without Subsidies	478 (741)	144 (871)	527 (861)	806 (901)
<u>1983</u>				
Public Housing Units	105 (141)	7 (31)	49 (81)	62 (61)
Private Units with Subsidies	79 (111)	2 (171)	26 (41)	25 (21)
Units without Subsidies	532 (721)	193 (951)	550 (861)	891 (881)

*Figures may not add up to 100% due to units not being reported.



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HISPANIC CHILDREN IN POVERTY

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ABSTRACT

This report examines the incidence and severity of money income poverty among Hispanic children and presents trend analysis for 1975-1983. It compares Hispanic children to non-Hispanic black and non-Hispanic white children in regard to several factors related to poverty, such as presence of father, marital status of mother, family size, age of parent, high school completion by parent, hours worked, and wages received by parents.

This report was designed and written by a group of four analysts: Vee Burke, Thomas Gabe, Jeanne Griffith, and Richard Rinkunas. All are members of the Education and Public Welfare (EPW) Division of CRS except for Dr. Griffith, a demographer in the Government Division.

Thomas Gabe and Richard Rinkunas provided the basic income, demographic, and schooling data on which the report is based by analyzing Census Bureau public use tapes covering the years 1975-1983 (from the Current Population Surveys made each March, 1976-1984). They also prepared the computer graphics.

Dr. Griffith wrote chapters 3 and 4. Mr. Gabe wrote chapter 5. Mrs. Burke directed the project, wrote chapters 1, 2, and 6, and edited the report.

Helpful comments on drafts of the report were made by CRS analysts Kenneth Cahill, Richard Hobbie, and Wayne Riddle, all of the EPW Division.

Deborah C. Jackson directed secretarial production of the report. Text and tables were typed by Mary Anderson, Flora Dean, and Deborah Jackson (EPW Division), and by Daphne Bigger (Government Division), all of whom the authors wish to thank.

CHAPTER 1. INTRODUCTION AND SCOPE OF PAPER

NOTE: This paper supplements the Congressional Research Service (CRS) part of the study on poor children, Children in Poverty, which was issued in May 1985 by the House Committee on Ways and Means. 1/ This new report examines the incidence and severity of poverty among Hispanic children in 1983 and presents trend analysis for 1975-1983. The report is based on Census Bureau public use tapes of the March supplements to the Current Population Survey, 1976-1984 (covering 1975-1983 income). It does not provide analysis of 1984 income nor incorporate 1983 data revisions announced by the Census Bureau in late August 1985. The revisions in the 1983 poverty rates for children, described in Appendix D, were not statistically significant. These revisions reflect new survey weighting procedures for estimating the Spanish population, which were not applied to earlier years covered by this study, and thus, would have made comparisons difficult. For details, see Appendix C.

The incidence of poverty among Hispanic children in 1984 was 84 percent above that among all U.S. children. Out of every 100 related Hispanic children, 2/ 38.7 lived in families whose money income fell short of their poverty threshold, compared with 21 per 100 in the total population of related children.

The poverty status of Hispanic children relative to that of other children worsened in 1984. Although the poverty rate for all children decreased in 1984, the poverty rate among Hispanic children rose by one percentage point, almost wiping out a 1983 decline of 1.2 percentage points. The 1984 rate was, thus, only slightly below the 1982 peak rate of 38.9. 3/ Hispanic poverty rates

1/ The Congressional Research Service wrote Part I and Appendixes A-I of this study (Ways and Means Committee Print, 99-8). The Congressional Budget Office (CBO) wrote Parts II and III and Appendixes J and K.

2/ A related child is a person under 18 years old who lives with other family members and is not the head of a family nor married to a family head.

3/ Highest Hispanic child poverty rate recorded since Census Bureau began the data series in 1973.

increased in 1984 for children in both family types--female-headed and male-present. (See box.)

Hispanic children were the only children for whom the Census Bureau reported a 1984 rise in poverty rates, whereas, in 1983, poverty rates had declined for Hispanic children 4/ and for non-Hispanic black children, but had increased for non-Hispanic whites. The incidence of poverty among related non-Hispanic white children declined in 1984 for the first time since 1978, to 13.1 percent. The poverty rate for related non-Hispanic black children, which had declined in 1983 to 46.1 percent, held at that level. 5/

4/ The 1984 increase and the 1983 decrease were not statistically significant.

5/ All 1984 data are from the Census Bureau report, Money Income and Poverty Status of Families and Persons in the United States: 1984. Consumer Income Series P-60. No. 149, issued August 27, 1985. The all-child poverty rate for Hispanics, not immediately available for 1984, would be somewhat higher than the related child rate. The former rate includes teenagers who are family heads or their spouses, as well as children who live as unrelated individuals.

SUMMARY DATA: RELATED HISPANIC, NON-HISPANIC, AND ALL CHILDREN

	Number poor (thousands)		Percent poor	
	1983	1984	1983	1984
Hispanic children				
Total	2,251 <u>a/</u>	2,317	37.7 <u>a/</u>	38.7
In female-headed families	1,018 <u>a/</u>	1,093	70.6	71.0
In male-present families	1,233 <u>a/</u>	1,223	27.2 <u>a/</u>	27.5
Non-Hispanic white children				
Total	6,438	5,828	14.4	13.1
In female-headed families	2,457	2,332	41.9	39.7
In male-present families	3,981	3,495	10.3	9.1
Non-Hispanic black children				
Total	4,194	4,277	46.1	46.1
In female-headed families	3,141	3,196	68.3	66.1
In male-present families	1,053	1,082	23.4	24.4
All children				
Total	13,449 <u>a/</u>	12,929	21.8 <u>a/</u>	21.0
In female-headed families	6,758 <u>a/</u>	6,772	55.5 <u>a/</u>	54.0
In male-present families	6,691 <u>a/</u>	6,157	13.5 <u>a/</u>	12.5

a/ Revised by Census Bureau, August 1985.

In 1983, an Hispanic child was about 2.6 times as likely as a non-Hispanic white child to be poor, but a non-Hispanic black child was about one-fifth more likely than an Hispanic child to be poor. Even though non-Hispanic black children had overall higher poverty rates than Hispanic children, an Hispanic child was more likely to be poor than a black child who lived in the same category of family—female-headed or male-present. ^{6/} The reason that non-Hispanic black children had higher overall poverty rates than Hispanic children was that a much larger proportion of the black children lived in families without a father.

^{6/} Male-present families are primarily two-parent families, but include families in which a father is raising children alone.

From 1976 to 1982, an extra 9 children per 100 Hispanic children were added to the poverty population, as their incidence of poverty climbed from 30 per 100 to almost 39. Reflecting both higher poverty rates and growth in underlying population, the Hispanic share of the total poor child population climbed from 14.1 to 16 percent in those years.

The Children in Poverty study examined poverty of children overall and by race, white and black. It also provided some summary data about poverty among Hispanics. For several reasons, it is useful to supplement that general report with an examination by ethnicity to depict the phenomenon of poverty among Hispanic children:

- As noted above, the rates of poverty among Hispanic children are very high, exceeding those of non-Hispanic black and white children for each type of family, female-headed and male-present.
- Hispanic children account for almost one-sixth of the Nation's poor children, 2.2 million out of 13.8 million in 1983.
- The population of Hispanic children is continuing to expand, unlike that of non-Hispanic black and white children. Thus, the population of Hispanic children climbed by 0.7 million, or 15 percent, from 1975 to 1983. In the same years the population of non-Hispanic children declined by 3.6 million, or 6 percent.
- Hispanics are a sizable minority of the population of some States. For example, Hispanics in 1980 accounted for 31.5 percent of the child population of California and 22.1 percent of the child population of Texas.

To study the poverty of Hispanic children in detail and to show their economic situation in relation to that of non-Hispanic children, it is necessary to treat ethnic and racial designations as mutually exclusive. Thus, this report subtracts Hispanic children from the white and black child population, with which they are merged in standard Census Bureau tabulations.

The basic method of this study is to compare Hispanic children with non-Hispanic white and black children in regard to income and to several factors

that the Children in Poverty study found related to poverty of children, including: education of parents, age of parents, family size, and hours of work.

This study deals only with income poverty, the condition of having income below the official poverty threshold. It does not examine a range of other kinds of poverty sometimes cited by economists, such as "education poverty," "health poverty," or "transportation poverty," nor does it discuss the possible effects of income poverty upon a child's health, education, aspirations, work ethic, and the like.

The report is based on Census bureau data (Current Population Surveys, March, 1976-1984). These surveys cover the civilian noninstitutionalized population of the 50 States and the District of Columbia and members of the armed forces who live off post or with their families on post. In these surveys children are classified as Hispanic if their parent declared them to be Mexican-American, Chicano, Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish. For a discussion of the problems in defining ethnic origin, see Appendix A.

All tables in the report were prepared by the Congressional Research Service. All cash income data were derived from reports made about their previous year's pre-tax cash income by respondents to the March Current Population Survey (CPS). The Census Bureau notes that household surveys tend to underestimate the number of income recipients and/or the amount of income received. The CPS estimate of aggregate wages and salaries in 1983 was 99 percent of an independent estimate; the CPS estimate of federally aided cash welfare was 79 percent of the independent estimate. 7/

7/ U.S. Department of Commerce. Bureau of the Census. Money Income and Poverty Status of Families and Persons in the United States, 1984. Series P-60, no. 149, p. 37.

The balance of the report is organized as follows:

- o Summary findings
- o Poverty among Hispanic children in 1983
- o Examination of factors related to poverty among children: 1975-1983
- o Earnings of parents of Hispanic children
- o Government transfers to Hispanic children

Appendixes provide a discussion of problems in defining ethnic origin, some additional data, and information about the revisions in 1983 Hispanic poverty data announced by the Census Bureau in August 1985.

CHAPTER 2. SUMMARY FINDINGS

The 1983 poverty rate of Hispanic children was more than 2.5 times that of non-Hispanic white children, but about one-fifth below that of non-Hispanic black children.

Among Hispanic children, 38.2 percent lived in families whose money income was below the poverty threshold in 1983, compared with 14.9 percent of non-Hispanic white children and 46.6 percent of non-Hispanic black children.

TABLE 2.1. Family Composition and Incidence of Poverty
by Family Type, Race/Ethnicity: 1983 a/

	Hispanic children		Non-Hispanic black children		Non-Hispanic white children	
	Percent of all children	Poverty rate	Percent of all children	Poverty rate	Percent of all children	Poverty rate
In female-headed families	23	70.5	47.9	68.3	12.5	42.8
In male-present families	<u>77</u>	<u>27.3</u>	<u>52.1</u>	<u>23.6</u>	<u>87.5</u>	<u>10.3</u>
All children	100	38.2	100	46.6	100	14.9

a/ Table is based on Census Bureau's original 1983 data and refers to all children under 18, not merely to related children.

Even though the incidence of poverty overall was higher among non-Hispanic black children, an Hispanic child was more likely to be poor than a black child who lived in the same category of family--female-headed or male-present. Overall poverty rates were lower among Hispanic children than among black children because a much larger proportion of the Hispanic children lived in families with a male present. These two-parent (and single male-headed) families have much lower poverty rates than female-headed families. (Table 2.1)

Compared with the average U.S. child, an Hispanic child in 1983 was about 72 percent more likely to be poor, but the amount by which the per capita money income of poor Hispanic families with children fell short of the poverty threshold ^{8/} was about six percent smaller, on average, (\$70 less per year) than the per capita deficit of all poor families with children. (Table 2.2.) Thus, although Hispanic children had a higher incidence of poverty, they were somewhat less poor, on the average, than children overall.

Contributing to the high rates of poverty among Hispanic children are very low levels of high school completion by their parents, a relatively large number of children per family, an above-average share of children being raised by mother alone, and a relatively large proportion of children with young parents.

Whether in a married-couple or a female-headed family, most Hispanic children have a family head who lacks a high school diploma. In all, more than half of Hispanic children in married-couple families and two-thirds of those in

8/ The Census Bureau's poverty threshold is a sum of money that is adjusted for family size and originally was set at three times the cost of the least expensive food plan developed by the Agriculture Department to meet nutritional goals. The poverty threshold is adjusted annually for changes in the Consumer Price Index (CPI), but the Agriculture Department's Thrifty Food Plan (maximum food stamp benefit) is adjusted annually for changes in food prices, which have risen less than overall prices. In 1984 the threshold for a four-person family was \$10,609, equal to about 3.5 times the maximum food stamp benefit for such a family. Appendix table B.1 provides poverty thresholds for families of three to seven persons, 1975-1984.

female-headed families in 1983 had family heads who had not completed high school, including some who never entered high school. (Table 4.10.) These very high rates of parental failure to achieve a high school diploma range from almost double to six times those for non-Hispanic black and white children and confront Hispanic children with a severe disadvantage.

If there had been no differences in 1983 among Hispanic and non-Hispanic black and white children in regard to family type, family size, and age of family head (that is, if the distribution of these demographic characteristics among Hispanic and non-Hispanic families had been the same as in the general population of families with children--and if their behavior had not changed), the incidence of poverty among Hispanic and non-Hispanic children would have been greatly altered. Under these circumstances, poverty rates among Hispanic children would have been one-sixth lower than they actually were, but rates for non-Hispanic blacks would have been reduced relatively much more, by 45 percent. As a result, the Hispanic child poverty rate would have been one-eighth above that of non-Hispanic black children. (Table 4.17.) The finding that demographic factors account for less of the poverty among Hispanic children than among non-Hispanic black children implies that other factors, such as parents' education and level of work effort, affect the poverty rate of Hispanic children more than that of non-Hispanic black children.

About 60 percent of minority fathers (Hispanics and non-Hispanic blacks) in married-couple families worked full time year round (more than 2,000 hours) in 1983, compared with 74 percent of non-Hispanic white fathers. (Table 5.9.) Among married-couple families whose father worked full time, the poverty rate of Hispanic children was almost triple that of non-Hispanic white children and 45 percent above that of non-Hispanic black children. (Table 5.10.) Most Hispanic single mothers did not work at all in 1983. (Table 5.11)

In 1980, more than two-thirds of all poor Hispanic children lived in three States: California, Texas, and New York. (Table 3.5)

Incidence of poverty among Hispanic sub-groups varied widely. More than half the children of Puerto Rican origin were poor (52.2 percent), but only 26.0 percent of the children of Cuban origin were poor. In between were Mexican-Americans, with a rate of 37.0 percent, three percent below the Hispanic average. (Table 3.3)

A. Hispanics' Share of the 1983 Child Population: Total vs. Poor

Children in Poverty divided the child population into three racial categories: white, black, and other races, and it provided some overall data about Hispanics, an ethnic rather than a racial category. It found the 1983 poverty population to comprise 13.8 million children: 8.8 million whites, 63.6 percent of the total; 4.4 million blacks, 31.8 percent; and 0.6 million other children, 4.7 percent. Children of Hispanic origin were included in the above groups.

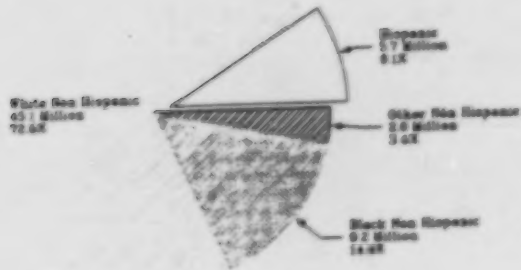
This report divides the child population into four mutually exclusive racial/ethnic categories: Hispanic, non-Hispanic white, non-Hispanic black, and other non-Hispanic. Under this classification, the 1983 population of 13.8 million poor children consists of: 6.7 million non-Hispanic whites, 48.6 percent of the total; 4.3 million non-Hispanic blacks, 31.3 percent; 2.2 million Hispanics, 15.6 percent; and 0.6 million other non-Hispanics, 4.5 percent of the total (chart 2.1).

The incidence of poverty among non-Hispanic white children in 1983 was 14.9 percent, one-seventh lower than the rate of 17.3 percent calculated for all white children in Children in Poverty. Among non-Hispanic black children the incidence of poverty was 46.6 percent, almost unchanged from the poverty rate of 46.7 percent for all black children.

As Chart 2.1 shows, Hispanic and non-Hispanic black children have larger shares of the poor child population than they do of the total child population, reflecting their above-average poverty rates. Conversely, non-Hispanic white children have smaller shares of the poor child population than of the total child population because of their below-average incidence of poverty.

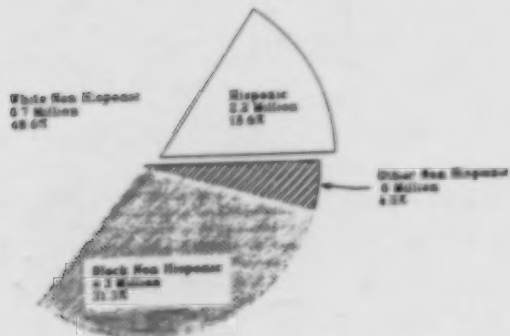
CHART 2.1
Composition of Child Population: 1983

Child Population 82.1 Million



Composition of Child Poverty Population: 1983

Child Poverty Population 13.8 Million



NOTE: Prepared by CRS using data from the March 1984 supplement to the Current Population Survey.

8. Incidence of Poverty

By Family Category. In male-present families and for all mother-child families except those of widows, the incidence of poverty in 1983 was higher among Hispanic children than among non-Hispanics. For an Hispanic child, the likelihood of poverty in a male-present family was 2.7 times that of a non-Hispanic white child and 16 percent above that of a non-Hispanic black child. Among mother-child families, the differences were smaller. (Table 2.1)

By Marital Status of Mother. Highest poverty rates belong to children of never-married mothers, and within this group, to Hispanics. More than 85 out of 100 such Hispanic children were poor in 1983. For non-Hispanic children of never-married mothers, the poverty rates were 79 per 100 blacks and 65 per 100 whites. (Table 4.6.) In 1980, birth rates of unmarried Hispanic women exceeded those of unmarried non-Hispanic women at all age groupings (table 4.8). Births to unmarried teenagers (aged 15-19) amounted to 39.7 per 1,000 Hispanic women, compared with 27.7 per 1,000 non-Hispanic women.

Among children of divorced or separated mothers raising children alone, Hispanics also have higher rates of poverty than non-Hispanics. In 1983, 73 percent of such Hispanic children were poor. Among children being raised by widowed mothers alone, however, Hispanics had a lower poverty rate (45 per 100) than non-Hispanic blacks (57 per 100). (Table 4.6)

By Parent's Education. An Hispanic child in a married-couple family whose father failed to complete high school is nine percent less likely than a similar non-Hispanic black child, but 50 percent more likely than such a non-Hispanic white child, to be poor. Their 1983 poverty rates were 38 per 100 Hispanic children, 42 per 100 non-Hispanic blacks, and 25 per 100 non-Hispanic whites.

Poverty rates among Hispanic children in both married-couple families and female-headed families whose family head completed some college were about half as high as for those whose parent did not commence college after high school.

Among children being raised by single mothers without a high school diploma, poverty rates overall averaged above 80 percent. As in the case of married-couple families whose head failed to complete high school, non-Hispanic black children had the highest poverty rates. By race/ethnicity, the child poverty rates of single mothers without a high school diploma were: Hispanics, 84 percent; non-Hispanic blacks, 90 percent; and non-Hispanic whites, 71 percent. (Table 4.9)

By Family Size. An Hispanic child in a family of four or more children was 79 percent more likely to be poor in 1983 than one in a smaller size family, but less likely to be poor than a non-Hispanic black child in such a family. On the average, 55 percent of the Hispanic children in large families were poor in 1983, compared with 65 percent of non-Hispanic black children and 27 percent of non-Hispanic white children in such families (table 4.15). Poor Hispanic children are substantially more likely to live in large families than are poor non-Hispanic children, white or black. In 1983, 42 percent of poor Hispanic children lived in families with four or more children; corresponding percentage for whites and blacks were 23 and 35.

By Age of Parent. In general, children with parents at least 30 years old are about one-third less likely to be poor than those of younger parents. For Hispanic children, the difference is smaller than average (about one-fifth); for non-Hispanic white children, it is larger than average (exceeding 40 percent). For non-Hispanic black children, the pattern is erratic, depending on family type.

The poverty rate differential by race/ethnicity is greatest among children in married-couple families whose family head is at least 30 years old. An Hispanic child in such a family is almost three times as likely to be poor as a non-Hispanic white child (25.1 percent vs. 8.8 percent). (Table 4.11)

C. Severity of Poverty

Among female-headed families, Hispanic and non-Hispanic black children in 1983 had roughly the same degree of poverty. That is, their per capita income deficits were roughly the same, slightly above \$1,290 (and below the all-family per capita average).

Overall, the poverty of Hispanic children is about 5 to 10 percent less severe than that of non-Hispanic children. Per capita poverty income gaps of Hispanic families with children averaged \$1,033 in 1983, below the comparable figures for non-Hispanic black and white families with children by \$99 and \$51, respectively. Since Hispanic families tend to have more children than non-Hispanics, however, it takes more dollars to lift the average Hispanic family across the poverty threshold, even though its per capita deficit is smaller.

TABLE 2.2. Per Capita Poverty Income Deficits for Families with Children, 1983

	Hispanics	Non-Hispanic blacks	Non-Hispanic whites	All families
Female-headed families	\$1,293	\$1,292	\$1,315	\$1,297
Male-present families	847	908	956	931
All families	\$1,033	\$1,182	\$1,084	\$1,103

D. Who Are the Hispanic Poor Children?

In 1983, a total of 2.160 million Hispanic children had money income below the Census Bureau poverty thresholds. Of these, 2.105 million were classified as children who lived with other family members (related children). The remaining 55,000 poor children included teenage householders or spouses living on their own and children who lived with unrelated individuals. Of all own related ^{9/} poor children, 55 percent lived in married-couple families, 30 percent had divorced or separated mothers, 11 percent had never-married mothers, two percent had widowed mothers, and two percent had married mothers whose spouse was absent (table 2.3).

^{9/} An "own related child" is the son or daughter, stepchild, or adopted child of a family head with whom he lives.

TABLE 2.3. Composition of 1983 Child Poverty Population,
by Family Type, Marital Status of Mother, Race/Ethnicity a/

Poor children	Percent of poor children			
	Hispanic	Non-Hispanic blacks	Non-Hispanic whites	All children <u>b/</u>
In married-couple families	55.2	25.8	62.5	51.4
In female-headed families of:				
Divorced or separated mothers	30.2	39.6	29.7	31.8
Never-married mothers	10.6	30.1	4.1	12.7
Widowed mothers	2.0	3.7	1.7	2.5
Married spouse absent	<u>2.0</u>	<u>0.8</u>	<u>2.0</u>	<u>1.7</u>
	100	100	100	100

a/ Prepared by CRS using data from the March 1984 supplement to the Current Population Survey. Data are for own related children.

b/ Column does not sum to total because of rounding.

Hispanic children were more like their non-Hispanic white counterparts than non-Hispanic blacks. There were, however, some significant differences. A poor Hispanic child was 2.5 times as likely as a non-Hispanic white child to have a never-married mother (but 63 percent less likely than a non-Hispanic black child to have such a mother). The share of poor Hispanic children who lived with separated or divorced mothers was roughly equal to that of poor non-Hispanic white children but lower than that of poor non-Hispanic black children.

Two-thirds of the poor Hispanic children were of Mexican-American origin and one-fifth were Puerto Rican. The breakdown: Mexican-American, 1.431 million

poor children, or 66.3 percent of all poor Hispanic children; Puerto Rican, 437,000 poor children, or 20.2 percent; Cuban, 45,000, 2.1 percent; and other Hispanics, 24,000, 11.4 percent. (Table 3.3)

E. Poverty Trends: 1975-1983

Composition of Poor Child Population. From 1978 to 1982, the number of poor Hispanic children climbed by almost 53 percent, and the share of all poor children who were Hispanic rose from 13.5 percent to 16.0 percent. In 1983 the share declined to 15.6 percent, as the Hispanic child poverty rate decreased. (Appendix table B.2)

Family Type. The share of Hispanic children in female-headed families rose from 19.7 percent to 23.0 percent in the period, 1975-1983. This was a lesser rate of growth (17 percent) than occurred among non-Hispanic whites (19.5 percent) but a much greater one than that of non-Hispanic blacks (9.5 percent). In this period the incidence of child poverty climbed faster among male-present families than in female-headed families. In 1975 an Hispanic child without a father at home had been 3.3 times as likely to be poor as one in a male-present family. By 1983, the multiple had declined to 2.7.

During these years the overall population of Hispanic children increased by 9.9 percent (one-half million children). In contrast, because of falling birth rates the number of non-Hispanic children declined. Numbers of non-Hispanic white and black children shrank by 10.3 and 4.8 percent, respectively (decreases amounting to five million white and 400 thousand black children). The share of all children in female-headed families who were Hispanic climbed from 9.6 percent in 1975 to 11.1 percent in 1983. The share of all children in male-present families who were Hispanic rose from 7.2 in 1975 to 8.6 in 1983.

Poverty Rates. Lowest poverty rates for Hispanic children were reached in 1978, when 26.9 children per 100 were poor. ^{10/} Since that year poverty rates have risen much faster among male-present than in female-headed families, somewhat "defeminizing" children's poverty. The 1978-1983 increase in incidence of poverty in families with a male present: Hispanics, 58.8 percent; non-Hispanic blacks, 31.8 percent; and non-Hispanic whites, 77.2 percent.

Among female-headed families, poverty rates increased during these years by 4.5 percent for Hispanic children, 3.1 percent for non-Hispanic blacks, and by 19.8 percent for non-Hispanic whites.

Thus, in both male-present and female-headed families, the proportion of whites in the child poverty population grew during these years.

F. Work and Poverty

In 1983, 43.3 percent of Hispanic children would have been classified as "poor" if their only income had been family earnings and other market income. This was two-thirds above the all-child rate of market income poverty. For non-Hispanic blacks, more than one-half the children were poor on the basis of market income alone. (Table 5.1)

On the average, Hispanic fathers worked fewer hours during the year than non-Hispanic white fathers, but more than non-Hispanic black fathers. Their annual earnings tended to be substantially smaller than those of non-Hispanic white fathers, but about the same as those of non-Hispanic black fathers.

In the aggregate, Hispanic mothers generally worked fewer hours during the year than either their white or black counterparts and had smaller annual earnings.

^{10/} Census Bureau data series began in 1973.

In 1983, 2.5 million of the nation's own related children--more than one-fifth of such children--were poor despite year-round, full-time work (more than 2000 hours) by at least one parent. In all, about six percent of the poor children in mother-child families and seven percent of those in married-couple families had a parent (or parents) who worked more than 2,000 hours in 1983. The children of the full-time working poor included 21 percent of all poor Hispanic children, 13 percent of all poor non-Hispanic black children, and 27 percent of all poor non-Hispanic white children. (Table 5.13)

Fifty-three percent of Hispanic single mothers did not work at all in 1983, but more than three-fourths of non-Hispanic white single mothers and nearly 60 percent of non-Hispanic black single mothers worked at least part of the time. (Table 5.12)

The poverty rate of Hispanic children whose father worked full time was more than triple that of corresponding non-Hispanic black children. (Table 5.11.) One reason for the high incidence of poverty in married-couple Hispanic families with a full-time working father is the fewer hours worked by their wives, compared with those of non-Hispanic black and white wives.

G. Government Transfer Payments

Available social insurance payments and cash welfare benefits per Hispanic child who was poor without them declined in constant dollar value from 1975 to 1983, by 20 and 24 percent, respectively. (Tables 6.1 and 6.2.) The proportion of Hispanic children who were poor before governmental transfers (those in market income poverty) rose 10.7 percent from 1975 to 1983, but the proportion who still were poor after cash transfers rose more rapidly, by 14.7 percent. (Table 6.3.) The disproportionate rise in final money income poverty rates reflects a

much smaller impact of cash welfare transfers upon poverty rates in 1983 than in 1975.

In the same years the pre-transfer poverty income deficit of Hispanic children rose by \$953 million in 1983 dollars (by more than one-third), reflecting not only higher market income poverty rates but growth in the underlying Hispanic child population. However, governmental cash transfers to children who were poor without them declined by \$39 million. Thus, the post-transfer deficit in 1983 was almost \$1 billion greater (\$992 million) than it had been in 1975.

From 1975 to 1983, Hispanic children generally accounted for about 15 to 16 percent of all children whose total cash income fell short of poverty thresholds. (Table A-2.) Hispanic families consistently accounted for smaller shares of major welfare caseloads (Aid to Families with Dependent Children, food stamps, subsidized housing) than the fraction of the total population of poor children represented by Hispanics.

CHAPTER 3. POVERTY AMONG HISPANIC CHILDREN IN 1983

A. How Do Poverty Rates for Hispanic Children Compare to Those for Other Children?

Depending on what income was counted, in 1983 an Hispanic child generally was from 2.4 to 2.6 times as likely to be poor as a non-Hispanic white child, but from 15 to 16 percent less likely to be poor than a non-Hispanic black child. The relationships fell within these limits whether poverty was measured before or after Government transfer payments (social insurance and welfare) and whether the income counted included or excluded noncash benefits (at minimum value). ^{11/} If noncash benefits were assigned maximum value, the gap between Hispanic poverty rates and those of non-Hispanic black children narrowed to 8 percent. See table 3.1.

^{11/} For market income poverty rates of children by race and Spanish origin, 1975-1983, see table 5.1. The different types of income measures and their effects on poverty rates over time are discussed in *Children in Poverty*, p. 3 ff. and p. 20 ff.

TABLE 3.1. Child Poverty Rates ^{a/} Under Alternative Measures of Income, by Race and Hispanic Origin: 1983

Income measure	Poverty rates by race and Hispanic origin		
	Hispanic	Non-Hispanic white	Non-Hispanic black
Market	43.3	18.1	51.0
Pre-welfare	40.0	15.3	48.4
Total cash	38.2	14.9	46.6
Non-cash benefits:			
at minimum value	35.5	13.8	42.0
at maximum value	27.8	11.4	30.1

^{a/} Poverty rates for all children under 18.

Note: Table prepared by CRS using data from the March 1984 Current Population Survey. Poverty rates in this table were calculated on the basis of the Census Bureau definition.

Market income only. In 1983 more than two out of five Hispanic children lived in families whose market income (earnings and other private income such as interest, dividends, and rent) were insufficient to lift them over the poverty threshold. ^{12/} By comparison, 51 percent of non-Hispanic black children and 18.1 percent of non-Hispanic white children were "poor" on the basis of market income alone.

Market income plus social insurance (pre-welfare income). Addition of social insurance benefits (chiefly social security and unemployment insurance) to a family's counted income did relatively more to reduce child poverty for non-Hispanic whites than for Hispanics or non-Hispanic blacks. These benefits lowered poverty rates of non-Hispanic white children by 15.5 percent, twice

^{12/} See Appendix B for weighted average poverty thresholds of the Census Bureau for families of three to seven persons, 1975-1984.

the 7.6 percent reduction they achieved for Hispanic children and triple their 5.1 percent reduction for non-Hispanic black children.

Total cash income (official poverty rate). When cash welfare benefits were included in the 1983 counted income, the reduction in poverty rates was greater for Hispanic and non-Hispanic black children than for non-Hispanic white children, in contrast to the situation for social insurance. Addition of cash welfare benefits lowered pre-welfare poverty rates of Hispanic children by 4.5 percent; of non-Hispanic black children, by 3.7 percent; and of non-Hispanic white children by 2.6 percent. For all groups, means-tested cash benefits had relatively less effect on reducing pre-welfare poverty rates than social insurance benefits had on reducing market income poverty rates.

Cash plus noncash benefits. The official count of the poor disregards noncash benefits, which account for most welfare spending. If food stamps, school meals, subsidized housing, Medicaid and Medicare are treated as income, the result is to lower the 1983 poverty rates substantially for all three groups. ^{13/} The impact of these benefits depends on how they are valued. The Census Bureau provides three alternative measures for each type of benefit, and Table 3.1 shows the poverty rates that result from using the minimum and maximum valuation methods.

Using the minimum valuation technique, inclusion of these major noncash benefits reduced the 1983 cash poverty rates of Hispanics and of non-Hispanic whites by 7 percent; of non-Hispanic blacks by 10 percent. The maximum valuation approach reduced the 1983 poverty rates by 27.2 percent for Hispanic children, by 23.5 percent for non-Hispanic whites, and by 35.4 for non-Hispanic

^{13/} See *Children in Poverty*, pp. 39 ff. for a general discussion of how counting major noncash benefits as income affects the trend of poverty rates over time.

blacks. To sum up, non-cash benefits reduced poverty rates for Hispanic children by 7 percent to 27 percent, depending on the valuation method used.

9. How Severe Is the Poverty Among These Groups?

To judge the severity of poverty within the poor population rather than the incidence of poverty in the total population, the concept of income deficit is used. The income deficit is the amount of additional income that a family would need to reach its poverty threshold.

The first (horizontal) panel in table 3.2 shows the aggregate poverty deficit for families with children under 18. These figures represent the sum of the individual deficits for all families with children. The table shows the 1983 income deficit of families with children measured three different ways: market income only, pre-welfare income, and total cash income. On the basis of market income alone, \$6.3 billion would have been needed in 1983 to lift all Hispanic families with children under 18 out of poverty. That figure was reduced to \$5.5 billion when social insurance was added and to \$3.8 billion after welfare cash also was counted (the official poverty measure of total cash income). Substantially greater amounts were needed to bring non-Hispanic white and non-Hispanic black families with children out of poverty because of their much larger populations. Their combined market income poverty deficit was \$38 billion; Government cash transfer of social insurance and welfare aid reduced their deficit to \$22 billion. After all cash income was counted, the aggregate poverty deficit for all families with children amounted to

\$26.9 billion in 1983. ^{14/} The total included \$1.1 billion needed by non-Hispanic families who were neither black nor white, but of "other" races.

TABLE 3.2. Aggregate and Per Capita Income Deficit for Families With Children ^{a/} by Race and Family Type, 1983

Deficit measure	Total ^{b/}	Hispanic	Non-Hispanic white	Non-Hispanic black
Aggregate deficit (billions)				
Market income	\$46.4	\$6.3	\$22.8	\$15.2
Pre-welfare income	37.9	3.5	17.5	13.0
Total cash income	26.9	3.8	13.2	8.8
Average family deficit				
Market income	\$6,375	\$6,474	\$5,685	\$7,461
Pre-welfare income	5,993	6,211	5,323	6,843
Total cash income	4,426	4,472	4,145	4,851
Per capita deficit				
Market income	\$1,596	\$1,489	\$1,489	\$1,823
Pre-welfare income	1,494	1,439	1,391	1,669
Total cash income	1,103	1,033	1,084	1,182

^{a/} Data for all children.

^{b/} Total includes deficit for "Other Non-Hispanic" children as well as children shown in table.

Note: Table prepared by CRS using data from the March 1984 Current Population Survey.

The average family income deficits, shown in the second panel of the table, control for the different number of families in each group. These figures are derived by dividing the aggregate deficit by the number of families in the group. The average family deficit (based on total cash income) for Hispanics

^{14/} The poverty deficit of all children in these families (their pro-rata share of the family deficit) was \$15.9 billion. See Children in Poverty, p. 29-30 for discussion of the poverty deficits of families without children and of the aged.

is 7.9 percent greater than that of non-Hispanic whites, and 7.8 percent less than that of non-Hispanic blacks. The effect of transfer payments (both social insurance and means-tested income) is to reduce the average family deficit among Hispanics by 30.9 percent (from \$6,474 to \$4,472); these payments reduce the deficit among non-Hispanic white and black families by 27.1 and 35.0 percent, respectively.

Per capita income deficits deal with the problems of comparing these groups without distortions caused by variations in group size or family size. The third panel of the table shows these estimates. The per capita figures are derived by dividing each family's income deficit by the number of family members. All per capita income deficits so derived are then averaged to provide an average per capita income deficit. Families of different sizes who are equally distant (in number of dollars) from their poverty threshold will have different per capita income deficits.

The 1983 per capita deficit for members of Hispanic families with children based on market income alone was the same as that of non-Hispanic whites, but 18 percent smaller than that of non-Hispanic blacks, \$1,823. When total cash income was used to determine the poverty deficit, Hispanic families with children had the lowest per capita deficit, \$1,033, ^{15/} compared to \$1,084 for non-Hispanic whites and \$1,182 for non-Hispanic blacks.

C. How Does Poverty Vary Among Hispanic Children?

In 1983 poverty rates varied substantially among the different groups of the Hispanic population. A Puerto Rican child was twice as likely to be poor

^{15/} For 1983 poverty deficits per child (rather than per capita deficits for all members of families with children) see chapter 4, table 4.3, which also gives 1975-1982 data.

as a Cuban child and almost 40 percent more likely to be poor than a Mexican-American child (52.2 percent versus 26.2 and 37.0 percent, respectively).

Table 3.3 shows the composition of the total Hispanic child population and of the poor Hispanic child population, as well as the poverty rates for each group. It shows that while Puerto Rican children accounted for just under 15 percent of all Hispanic children in 1983, they represented more than 20 percent of the poor Hispanic children. Because of their relatively lower poverty rates, Mexican-American and Cuban children represent smaller proportions of the poor child population than they do of the total Hispanic child population.

TABLE 3.3 Composition of Total and Poor Hispanic Children a/
by Type of Spanish Origin, 1984
(Numbers in Thousands)

Type of Spanish origin	Number and percent of children		
	Poor children	All children	Poverty rates
Mexican-American	1,431 (66.3%)	3,858 (68.3%)	37.0
Puerto Rican	437 (20.2%)	838 (14.8%)	52.2
Cuban	45 (2.1%)	173 (3.1%)	26.0
Other Hispanic	247 (11.4%)	781 (13.8%)	31.6
Total Hispanic	2,160 (100.0%)	5,651 (100.0%)	38.2

a/ Data for all children.

Note: Table prepared by CRS using data from the March 1984 Current Population Survey.

D. Where Do The Poor Hispanic Children Live?

Regional Distribution. Hispanic children generally are concentrated in particular areas of the country. In 1983, over 80 percent of all Hispanic poor children lived in the Northeast, Mid-Atlantic, West South Central, and Pacific census divisions. In contrast, only about 39 percent of poor non-Hispanic white and 35 percent of poor non-Hispanic black children lived in these areas (or 45 percent of all poor children). (See table 3.4.)

Nearly one-third of all Hispanic poor children live in the Pacific division, reflecting the very high concentration of Hispanic children in California. Poor non-Hispanic white children are somewhat concentrated in the East and West North Central divisions and poor non-Hispanic black children, in the South Atlantic and East South Central divisions, but the divisional differences are much smaller for these two groups.

TABLE 3.4. Geographic Distribution of Poor Children ^{a/} by Race and Hispanic Origin: 1983

Number and percent of all poor children in group and poverty rates (numbers in thousands)									
Census Division ^{b/}	Hispanic			Non-Hispanic white			Non-Hispanic black		
	No.	Percent	Poverty rate	No.	Percent	Poverty rate	No.	Percent	Poverty rate
Northeast and Mid-Atlantic	521	24.1	53.4	1,285	19.2	13.5	651	15.0	41.5
East and West North Central	151	7.1	36.5	2,198	32.8	16.2	996	23.0	53.5
South Atlantic and East South Central	77	3.6	23.0	1,462	21.8	15.3	1,780	41.2	47.9
West South Central	530	24.5	36.1	593	8.8	13.2	567	13.1	46.2
Mountain	194	9.0	37.7	423	6.3	16.0	50	1.2	41.5
Pacific	686	31.8	35.3	746	11.1	14.0	275	6.4	35.6
Total	2,160	100.0	38.2	6,707	100.0	14.9	4,319	100.0	46.6
							13,807	100.0	22.2

^{a/} All children under 18: related children who lived with other family members, teenage householders or spouses who lived on their own, and children who lived as unrelated individuals.

^{b/} Some census divisions have been collapsed because of inadequate sample size. The divisions include the following States: Northeast: Maine, Vermont, New Hampshire, Massachusetts, Connecticut, and Rhode Island; Middle-Atlantic: New York, New Jersey, and Pennsylvania; East North Central: Michigan, Wisconsin, Ohio, Indiana, and Illinois; West North Central: Minnesota, Iowa, Missouri, Kansas, Nebraska, North Dakota, and South Dakota; South Atlantic: Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, and Florida; East South Central: Kentucky, Tennessee, Alabama, and Mississippi; West South Central: Arkansas, Louisiana, Oklahoma, and Texas; Mountain: Montana, Wyoming, Colorado, New Mexico, Idaho, Utah, Nevada, and Arizona; and Pacific: Washington, Oregon, California, Alaska, and Hawaii.

Note: Table prepared by CBS using data from the March 1984 Current Population Survey.

Although only 17.3 percent of all Hispanic children live in the Northeast and Mid-Atlantic, they represent 24 percent of poor Hispanic children. This is because these Hispanic children are disproportionately poor, with 1983 poverty rates 40 percent above those of total Hispanic children. Because the Hispanic child poverty rates of the Mountain Division and the West South Central Division are about the same as for Hispanic children in the country as a whole, their shares of poor Hispanic children are similar to their shares of all Hispanic children. Although the Pacific division has about 34.4 percent of all Hispanic children, it has only 31.8 percent of poor Hispanic children because of below-average poverty rates.

State distribution and poverty rates. The 1980 Census (based on income for calendar year 1979) found that two-thirds of poor Hispanic children (and almost two-thirds of all Hispanic children) lived in three States. In 1980, California had 404,500 poor Hispanic children, 25.2 percent of the nation's total; Texas, 404,191, 25.2 percent; and New York, 260,747, 16.3 percent of the total. (See table 3.5.)

The overall poverty rate for (related) Hispanic children in the 1980 Census was 29.1 percent. In California the incidence of poverty among Hispanic children was below average, at 23.5 percent; but in Texas and New York it was above average, at 33.4 and 44.5 percent, respectively.

Table 3.5. Hispanic Related Children Under 18--1979

State	Hispanic poor children	All Hispanic children	Poverty rate	Percent of U.S. Hispanic poor children	Percent of U.S. Hispanic children
Alabama	4,297	11,960	35.9	0.3	0.2
Alaska	495	3,406	14.5	0.0	0.1
Arizona	44,017	182,108	24.2	2.7	3.3
Arkansas	2,261	6,459	35.0	0.1	0.1
California	404,500	1,723,085	23.5	25.2	31.5
Colorado	31,297	133,330	23.5	2.0	2.4
Connecticut	23,163	53,388	43.4	1.4	1.0
Delaware	1,789	4,149	43.1	0.1	0.1
District of Columbia	810	3,219	25.2	0.1	0.1
Florida	45,902	220,025	20.9	2.9	4.0
Georgia	5,738	20,234	28.4	0.4	0.4
Hawaii	5,704	29,083	19.6	0.4	0.5
Idaho	4,915	15,767	31.2	0.3	0.3
Illinois	62,232	252,359	24.7	3.9	4.6
Indiana	4,155	34,903	17.6	0.4	0.6
Iowa	1,174	11,120	19.4	0.1	0.2
Kansas	4,783	25,230	19.0	0.3	0.5
Kentucky	3,046	8,959	34.0	0.2	0.2
Louisiana	7,282	33,314	21.9	0.5	0.6
Maine	517	2,107	24.5	0.0	0.0
Maryland	2,734	20,521	13.3	0.2	0.4
Massachusetts	28,418	58,324	48.7	1.8	1.1
Michigan	14,608	65,903	22.2	0.9	0.5
Minnesota	2,638	13,818	19.1	0.2	0.2
Mississippi	3,531	9,017	39.2	0.2	0.3
Missouri	3,250	18,826	17.3	0.0	0.1
Montana	762	4,303	17.7	0.1	0.2
Nebraska	2,191	11,951	18.3	0.2	0.3
Nevada	2,772	19,094	14.5	0.0	0.0
New Hampshire	352	1,921	18.3	4.2	3.3
New Jersey	68,005	182,726	37.2	3.1	3.3
New Mexico	49,437	181,415	27.3	16.3	10.6
New York	260,747	586,037	44.5	0.3	0.3
North Carolina	5,175	18,114	28.6	0.0	0.0
North Dakota	399	1,459	27.3	0.7	0.9
Ohio	11,371	47,544	23.9	0.4	0.4
Oklahoma	6,010	23,831	25.2	0.4	0.5
Oregon	5,719	26,402	21.7	1.7	1.1
Pennsylvania	27,441	61,108	44.9	0.1	0.1
Rhode Island	2,249	6,701	33.6	0.2	0.2
South Carolina	3,985	11,564	34.5	0.0	0.0
South Dakota	402	1,599	25.1	0.2	0.2
Tennessee	3,589	10,836	33.1	25.2	21.9
Texas	404,191	1,209,398	33.4	0.3	0.5
Utah	3,157	25,721	20.0	0.0	0.0
Vermont	154	998	15.4	0.3	0.5
Virginia	4,205	25,359	16.6	0.8	0.9
Washington	12,952	50,040	25.9	0.1	0.1
West Virginia	1,175	4,253	27.6	0.4	0.5
Wisconsin	6,053	27,412	22.1	0.1	0.2
Wyoming	1,309	9,904	13.2		
U.S. Total	1,602,058	5,510,324	29.1	100.0	100.0

Source: 1980 Census. Characteristics of the Population: General Social and Economic Characteristics by State: Table 92.

All figures are for related children under 18.

E. Family Characteristics of Hispanic Poor Children

The social characteristics of Hispanic poor children differ significantly from those of other poor children. The characteristics examined here for 1983 are family type, parents' education, parents' age, and size of family. Tables 3.6 and 3.7 present the numbers and percentages, respectively, of poor children according to the several characteristics listed above.

Poor Hispanic children are much more likely to live in families with fathers present than are non-Hispanic black children, as these tables show. Whereas 54 percent (1.2 million) of Hispanic poor children lived with a male present in the home in 1983, only 25 percent (1.1 million) of poor non-Hispanic black children did so. Among poor non-Hispanic white children, 60 percent (4.0 million) lived in male-present families. In contrast, 46 percent (1.0 million) of poor Hispanic children lived in a female-headed family, in comparison to 75 percent (3.2 million) of poor non-Hispanic black children and 40 percent (2.7 million) of poor non-Hispanic white children.

TABLE 3.6. Number of Poor Children by Selected Characteristics
by Race and Hispanic Origin: 1983 (Numbers in Thousands)

	Total <u>d/</u>	Hispanic	Non-Hispanic white	Non-Hispanic black
Family Type <u>a/</u>	13,807	2,160	6,707	4,319
Male-present families	6,711	1,163	4,030	1,069
Female-headed families	7,096	997	2,677	3,250
Marital status of female-headed families <u>b/</u> <u>e/</u>	5,610	822	2,159	2,313
Never-married	1,515	204	248	1,031
Divorced or separated	3,801	580	1,805	1,357
Widowed	294	38	106	125
Education of parents <u>b/</u> <u>c/</u>				
Married couple families	5,760	1,016	3,606	779
Father				
Failed to complete high school <u>a/</u>	2,712	776	1,323	405
Completed high school	3,049	239	2,283	374
Both parents				
Both failed to complete high school <u>a/</u>	1,969	669	844	259
Both completed high school	2,300	133	1,795	240
One only completed high school	1,491	214	967	279
Female-Headed Families	5,499	813	2,242	2,310
Failed to complete high school <u>a/</u>	2,679	616	890	1,116
Completed high school	2,820	198	1,352	1,194
Age of parents <u>b/</u> <u>c/</u>				
Married couple families	5,760	1,016	3,606	779
Head under age 30	1,453	251	954	166
Head over age 30	4,307	764	2,652	612
Female-headed families	5,500	813	2,242	2,310
Head under age 30	2,256	283	897	1,028
Head over age 30	3,244	530	1,344	1,282
Family size <u>b/</u>	11,969	1,917	6,082	3,426
Fewer than four children	8,282	1,122	4,663	2,238
Four or more children	3,687	795	1,419	1,188

a/ Data for all children.

b/ Data for own related children.

c/ Characteristics of father in married couple families, characteristics of mother in female-headed families. Data for own related children in primary and secondary families.

d/ Subgroups do not add to "Total" because total includes "other non-Hispanic children," not shown.

e/ Includes persons who did not start high school.

f/ Figures exclude children living with married mothers whose spouses are absent.

Note: Table prepared by CRS using data from the March 1984 Current Population Survey.

TABLE 3.7. Percent of Poor Children by Selected Characteristics by Race and Hispanic Origin: 1983

	Total	Hispanic	Non-Hispanic white	Non-Hispanic black
Family type <u>a/</u>	100.0	100.0	100.0	100.0
Male-present families	48.6	53.8	60.1	24.8
Female-headed families	51.4	46.2	39.9	75.2
Marital status of female-headed families <u>b/ a/</u>	100.0	100.0	100.0	100.0
Never-married	27.0	24.8	11.5	41.0
Divorced or separated	67.8	70.6	83.6	34.0
Widowed	5.2	4.6	4.9	5.0
Education of parents <u>a/ b/</u>				
Married couple families	100.0	100.0	100.0	100.0
Father				
Failed to complete high school <u>d/</u>	47.1	76.3	36.7	52.0
Completed high school	52.9	23.5	63.3	48.0
Both parents				
Both failed to complete high school <u>d/</u>	34.2	65.7	23.4	33.2
Both completed high school	39.9	13.1	49.8	30.8
Only one completed high school	25.9	21.3	26.8	35.8
Female-headed families	100.0	100.0	100.0	100.0
Failed to complete high school <u>d/</u>	48.7	75.8	39.7	48.3
Completed high school	51.3	24.3	60.3	51.7
Age of parents <u>b/ c/</u>				
Married couple families	100.0	100.0	100.0	100.0
Head under age 30	25.2	24.8	26.5	21.3
Head over age 30	74.8	75.2	73.5	78.6
Female-headed families	100.0	100.0	100.0	100.0
Head under age 30	41.0	34.8	40.0	44.5
Head over age 30	59.0	65.2	60.0	55.5
Family size <u>b/</u>	100.0	100.0	100.0	100.0
Fewer than four children	69.2	38.5	76.7	65.3
Four or more children	30.8	61.5	23.3	34.7

a/ Data for all children.b/ Data for own related children.c/ Characteristics of father in married-couple families, characteristics of mother in female-headed families. Data for own related child in primary and secondary families.d/ Includes persons who did not start high school.e/ Figures exclude children living with married mothers whose spouses are absent.

Note: Table prepared by CDS using data from the March 1984 Current Population Survey.

In most of this chapter all children have been included to identify their general living arrangements. However, in the remainder of this chapter and in chapters 4 and 5 only children identified as "own related" are examined. This is because the rest of the report studies characteristics of children's parents for their relationships to children's poverty. "Own related" children are children who are sons or daughters, stepchildren, or adopted children of the head of the family. ^{16/} In some of the analyses, children in related subfamilies ^{17/} are excluded because the parent (and hence the parent's characteristics) cannot be identified on the data file.

Most (own related) poor children who live in female-headed families are being raised by a divorced or separated mother. This is the case for Hispanics and for non-Hispanic blacks and non-Hispanic whites. Among Hispanic children, more than two-thirds (of those in female-headed families) live with a divorced or separated mother, compared to more than 84 percent among non-Hispanic white and 54 percent among non-Hispanic black children. Hispanic children are more likely than non-Hispanic white children to live with a never-married mother

^{16/} The effect of analyzing only own children affects different groups to a different extent, depending on how many children in the groups live in homes without parents. The following numbers show the reduction in population size that results from this designation:

	Total	Hispanic	Non-Hispanic White	Non-Hispanic Black
All children	62,140	5,651	45,129	9,272
Own related children	57,602	5,083	43,037	7,585
	(92.7%)	(90.0%)	(95.4%)	(81.8%)
Own related children	56,642	4,903	42,614	7,109
in primary and secondary	(90.9%)	(86.8%)	(94.4%)	(76.7%)
families only				

^{17/} Related subfamilies are families whose head is related to the head of the household. In tabulations that exclude related subfamilies, only primary and secondary families are included. The latter are families whose members are not related to the head of the household in which they live.

(24.8 and 11.5 percent, respectively) of those in female-headed families, but less likely than non-Hispanic black children (41.0 percent) to do so. The share of poor children in female-headed families living with a widowed mother is slightly lower among Hispanic children, at 4.6 percent, than it is among non-Hispanic black children (5.0 percent). (These percentages exclude children living with married mothers whose spouses are absent.)

Hispanic poor children are much more likely than other children to have parents without a high school diploma. Among those living with married-couple parents, over three-fourths have fathers who failed to complete high school, compared to 37 percent of non-Hispanic white and 52 percent of non-Hispanic black children in the same family situations and to more than half of all poor children in the population. The situation also is unfavorable for Hispanic children when the schooling of both parents is examined. In the case of more than 65 percent of Hispanic poor children who lived with both parents, neither parent completed high school. Among those living with both parents, only 23 percent of poor non-Hispanic white and 33 percent of poor non-Hispanic black children had two parents without a high school diploma.

Among female-headed families, Hispanic children also are much more likely than non-Hispanic children to have a parent without a high school diploma. The mothers of more than three-fourths of Hispanic poor children did not finish high school, compared to mothers of nearly half of all poor non-Hispanic black children and mothers of nearly 40 percent of poor non-Hispanic white children.

Parents of poor Hispanic children tend to differ much less in terms of age than they do in terms of family type and education. Poor Hispanic children who live in married-couple families have fathers over age 30 about three-quarters of the time, compared to about 73 percent of non-Hispanic white children and

about 79 percent of non-Hispanic black children. In all groups, children who live in female-headed families are more likely to have younger mothers. In these families, however, about one-third of poor Hispanic children have mothers under age 30, in comparison to 40 percent of poor non-Hispanic white children and almost 45 percent of poor non-Hispanic black children.

Poor Hispanic children are substantially more likely to live in large families than are poor non-Hispanic children, either white or black. In 1983, 42 percent of poor Hispanic children lived in families with four or more children, in comparison to 23 percent of non-Hispanic white children and 35 percent of non-Hispanic black children.

CHAPTER 4. FACTORS RELATED TO HISPANIC'S CHILDREN POVERTY: 1975-1983

Children in Poverty identified several factors that are related to childhood poverty, including a parent's educational attainment, age, and race; type of family (female-headed vs. male-present); and size of family.

This chapter examines these factors for Hispanic children. Following the basic method of this report about Hispanic children, it compares such children with non-Hispanic black and non-Hispanic white children. For demographic factors such as family type and size, it provides not only 1983 data but available trend data since 1975.

What is the impact on the 1983 poverty status of children when four of these factors are taken into account simultaneously: race and ethnicity, education of the family head, type of family, and age of the parent?

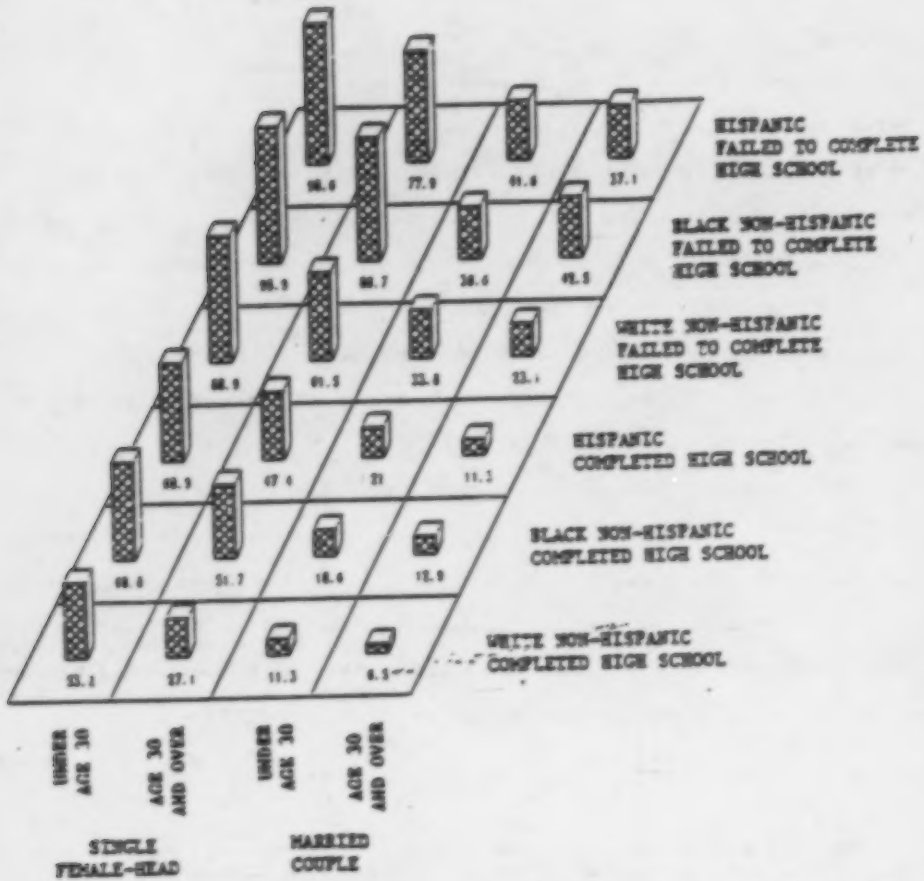
Chart 4.1 sums up the answer for Hispanic and non-Hispanic black and white children. A glance at the chart shows that highest poverty rates are those of children being raised by mothers alone who are under 30 years old and failed to complete high school (upper left corner). In 1983, more than 98 out of 100 such Hispanic children were likely to be poor. They were closely followed by non-Hispanic blacks (96 percent poor) and by non-Hispanic whites (89 percent poor) with the same characteristics.

If the mothers of these children had completed high school, their children's poverty rates would have been lower, but the apparent decline would be relatively greater for non-Hispanic whites (40 percent drop) than for Hispanics (30 percent) or non-Hispanic blacks (28 percent).

CHART 4.1

POVERTY RATES AMONG CHILDREN: 1983

BY FAMILY TYPE, HEAD'S AGE, RACE/ETHNICITY, AND EDUCATION



Note: Prepared by Congressional Research Service using data from the March 1984 Supplement to the Current Population Survey.

As one reads from left to right on the chart, from female-headed families to married-couple families, and, within them, from younger to older ages of the family head, children's poverty rates generally decrease. The one exception is for non-Hispanic black children in married-couple families whose fathers failed to complete high school (second row from top). Poverty rates appear to be higher rather than lower for such children if their fathers are older (30 or more). ^{18/}

Children's poverty rates also generally decline as one reads from top to bottom of the chart, from those who failed to finish high school to those who completed it, and within these groups, from Hispanics to non-Hispanic blacks and then to non-Hispanic whites. However, there are four exceptions, all for non-Hispanic blacks aged 30 and above. In both female-headed and married-couple families (and with or without high school completion by the family head), non-Hispanic black children with older parents appear to have higher poverty rates than do Hispanic children in corresponding families. (These apparent differences may not be statistically significant.)

The lowest poverty rates (bottom right corner) are those of non-Hispanic white children in married-couple families whose fathers are over 30 years old and high school graduates. In 1983, 6.5 out of 100 such children were likely to be poor. Hispanic children and non-Hispanic black children of older, married fathers with high school diplomas were about as likely to be poor as non-Hispanic white children of younger married fathers who finished high school.

^{18/} The anomaly may result from relatively recent marriage and childbearing patterns of young black women, discussed in *Children in Poverty*. A large portion of young black mothers are female heads of households. Those who are married may have married to a greater extent because their husbands were better able to support a family, thereby reducing the poverty rate among the families of these younger fathers relative to the rate among other groups.

The lowest poverty rates for children in female-headed families are those in the bottom half of the second column from the left: those whose mothers are both over 30 years old and high school graduates. However, even in these families more than half of the children of non-Hispanic blacks and almost half of the Hispanic children were poor in 1983, along with more than one-fourth of the non-Hispanic white children.

Children in some married-couple families have higher poverty rates than some in female-headed families. The chart shows that Hispanic children and non-Hispanic black children in married-couple families whose fathers failed to finish high school are more likely to be poor than non-Hispanic white children of single mothers who are both over 30 years old and high school graduates.

A. Relatively Fewer Hispanic Children Live in Female-Headed Families, But in All Family Types Their Poverty Rates Are Very High

Poverty Rates in Families in 1983. Poverty rates for children in female-headed families in general have been found to be four times as high as those for children in male-present families ^{19/} (55.8 percent versus 13.0 percent in 1983). However, an Hispanic child being raised by a mother alone was 2.7 times as likely to be poor as one in a male-present family (73.6 percent versus 27.0 percent). ^{20/} The narrower difference in poverty rates by family type among Hispanic children reflects their very high rate of poverty in male-present families, a rate more than double the U.S. average.

^{19/} Male-present families include families with children that have a married couple as the head or a male with no spouse present as the head. Of all own related children living in male-present families with children, only 3.2 percent live in families with a male head and no spouse present.

^{20/} Rates for own related children. The corresponding rates in 1983 for all children were 70.5 and 27.3 percent.

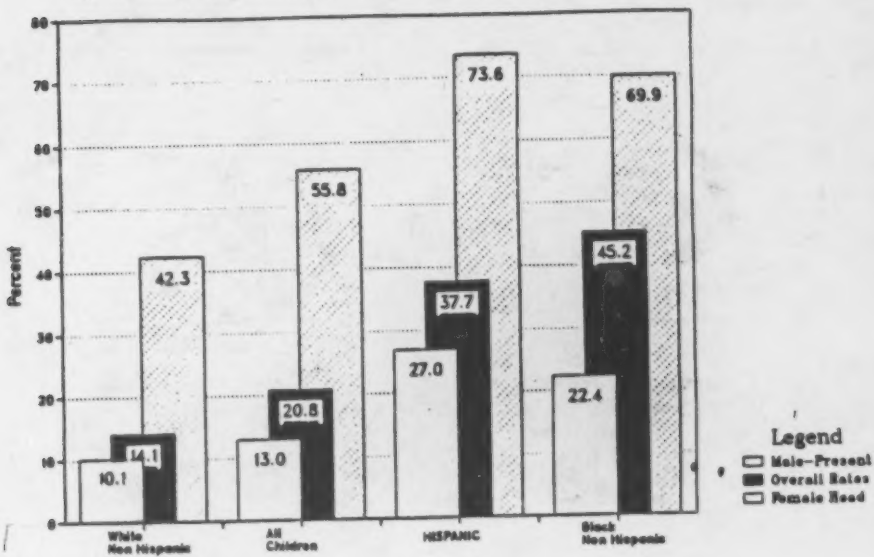
Chart 4.2 compares the rates for children in the two basic types of families for Hispanic children to the rates for non-Hispanic white and non-Hispanic black children.

Overall, as noted in Chapter 3, an Hispanic child is much more likely to be poor than a non-Hispanic white child, but somewhat less likely than a non-Hispanic black child. This relationship changes when family types within these three groups are examined. The poverty rates for Hispanic children are higher than those of either non-Hispanic white or black children of the same family type—in both female-headed and male-present families, as Chart 4.2 shows.

Hispanic children have lower overall poverty rates than non-Hispanic blacks, despite their higher rates by family type, because a much higher proportion of non-Hispanic black children than Hispanic children live in the more poverty-prone female-headed families. The share of non-Hispanic black children who live in female-headed families is double that of Hispanic children and almost four times that of non-Hispanic white children. Chart 4.3 demonstrates the effect of the composition of the child population according to family type on the overall poverty rates for the three groups of children. The scale of the circles in the chart for male-present and female-headed families in each population group indicates their relative weight in contributing to the total poverty rate for the children in that group. Nearly 48 percent of non-Hispanic black children live in female-headed families (3.6 out of 7.6 million), in contrast to only 23 percent of Hispanic children (1.2 out of 5.1 million) and 12.5 percent of non-Hispanic white children (5.4 out of 43.0 million). The proportion of children being raised in male-present families, who have much lower poverty rates, is about 50 percent greater among Hispanic children than among non-Hispanic black children.

CHART 4.2

Comparison of Poverty Rates for Children ^{1/}
by Family Type, Race and Hispanic Origin: 1983



^{1/} Own related children.

Note: Prepared by Congressional Research Service using data from the March 1984 Supplement to the Current Population Survey.

CHART 4.3. Impact of Family Type on Poverty Rates: Hispanic vs. Non-Hispanic Children

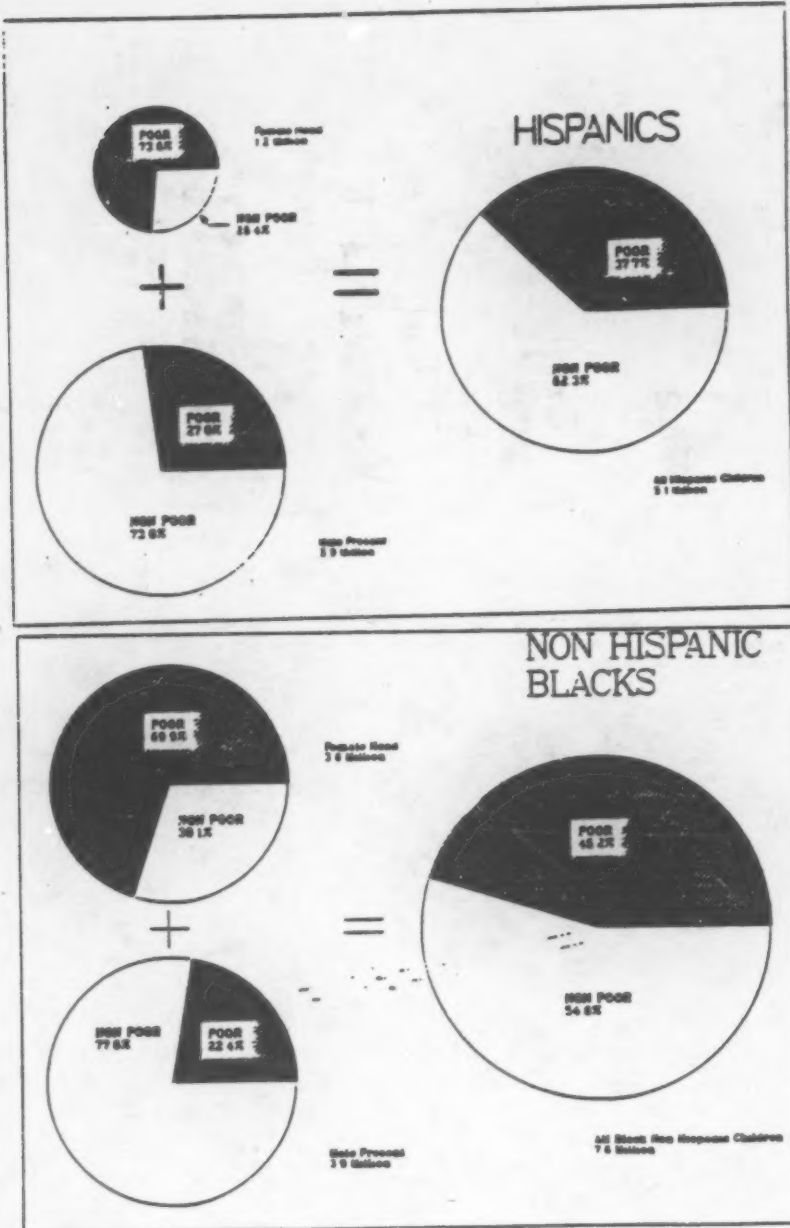
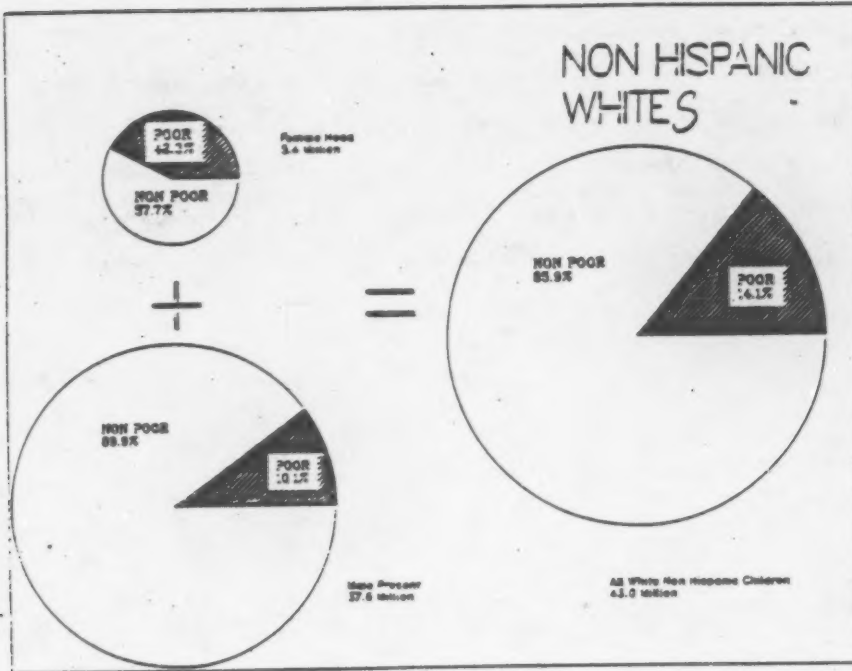


CHART 4.3. Impact of Family Type on Poverty Rates: Hispanic vs. Non-Hispanic Children (continued)



Note: Prepared by Congressional Research Service using data from the March 1984 Supplement to the Current Population Survey.

Changes Since 1975 in the Types of Families With Children. Since the mid-1970s, the differences in family composition between Hispanic and non-Hispanic families have stayed fairly constant as the percent of children living in female-headed families increased among all groups.

As table 4.1 shows, the proportion of Hispanic as well as non-Hispanic black and white children who lived in female-headed families increased over the period. In general, throughout the period, nearly twice as high a proportion of Hispanic children lived in female-headed families as non-Hispanic white children, and nearly twice as high a proportion of non-Hispanic black children as Hispanic children lived in these families.

TABLE 4.1. Percentage Composition of Total Non Related Children by Family Type, Race, and Hispanic Origin: 1975 to 1983

Percentage Composition by Race and Family Type												
Year	Hispanic			Non-Hispanic White			Non-Hispanic Black			Total ^{a/}		
	Overall (thousands)	Female- headed	Male- present	Overall (thousands)	Female- headed	Male- present	Overall (thousands)	Female- headed	Male- present			
1983	5,083	23.0%	77.0%	43,037	12.5%	87.5%	7,585	47.9%	52.1%	57,607	18.1%	81.9%
1982	5,007	25.0%	75.0%	43,137	12.0%	88.0%	7,582	48.3%	51.7%	57,551	18.0%	82.0%
1981	4,870	24.5%	75.5%	43,741	12.8%	87.2%	7,681	47.0%	53.0%	57,949	18.3%	81.7%
1980	4,831	22.6%	77.4%	44,578	11.7%	88.3%	7,701	47.2%	52.8%	58,757	17.2%	82.8%
1979	5,062	18.3%	81.7%	43,799	11.8%	88.2%	7,655	48.8%	51.2%	57,769	17.3%	82.7%
1978	4,621	18.5%	81.5%	44,756	11.1%	88.9%	7,644	46.5%	53.5%	56,797	16.8%	83.2%
1977	4,738	19.0%	81.0%	45,922	11.3%	88.7%	7,733	46.4%	53.6%	59,506	16.5%	83.5%
1976	4,486	19.1%	80.9%	47,095	10.5%	89.5%	7,803	43.4%	56.2%	60,470	15.4%	84.6%
1975	4,627	19.7%	80.3%	47,974	10.7%	89.4%	7,766	42.0%	58.0%	61,615	15.0%	85.0%

^{a/} Total includes "other non-Hispanic children."

Notes: Prepared by CBS using data from the March supplement to the Current Population Survey for each year.

Between 1975 and 1983 the proportion of all children living in female-headed families that were Hispanic increased from 9.8 to 11.2 percent. (See table 4.2.) This increase reflected three factors: 1) a rise of one-sixth in the share of all Hispanic children being raised by a woman alone (from 19.7 to 23.0 percent), 2) a gain of one-half million Hispanic children, and 3) a decline of 5 million in the combined population of non-Hispanic black and white children.

Thus, although the relative percentage composition of children in female-headed families among the three race/ethnic groups did not change over this period, the relative frequency of the number of Hispanic children in female-headed families did increase, as shown in the numerical composition.

TABLE 4.2. Composition of Total Own Related Children, by Family Type, Race, and Hispanic Origin: 1975 to 1983

Composition by race and family type											
Year	Hispanic			Non-Hispanic white			Non-Hispanic black			Total $\frac{a}{b}$	
	Overall (thousands)	Female- headed	Male- present	Overall (thousands)	Female- headed	Male- present	Overall (thousands)	Female- headed	Male- present	Overall (thousands)	Female- headed
1983	5,083	1,167	3,916	43,037	5,347	37,690	7,545	3,637	3,909	57,402	10,420
1982	5,007	1,250	3,756	43,137	5,192	37,945	7,582	3,659	3,923	57,531	10,372
1981	4,870	1,193	3,676	43,741	5,602	38,139	7,601	3,607	4,079	57,940	10,401
1980	4,831	1,093	3,737	44,578	5,197	39,381	7,701	3,635	4,066	58,757	10,121
1979	5,082	925	4,156	43,700	5,175	38,524	7,655	3,733	3,921	57,769	9,975
1978	4,671	863	3,808	44,756	4,976	39,782	7,644	3,557	4,087	58,797	9,542
1977	4,718	899	3,819	45,922	5,189	40,733	7,733	3,587	4,146	59,506	9,803
1976	4,466	856	3,610	47,095	4,932	42,163	7,803	3,416	4,386	60,470	9,327
1975	4,627	910	3,716	47,976	4,914	43,060	7,966	3,363	4,603	61,615	9,262
Percentage Change											
1978-1983	0.8%	35.2%	2.8%	-3.6%	8.3%	-5.4%	-0.6%	2.7%	-3.4%	-1.2%	9.2%

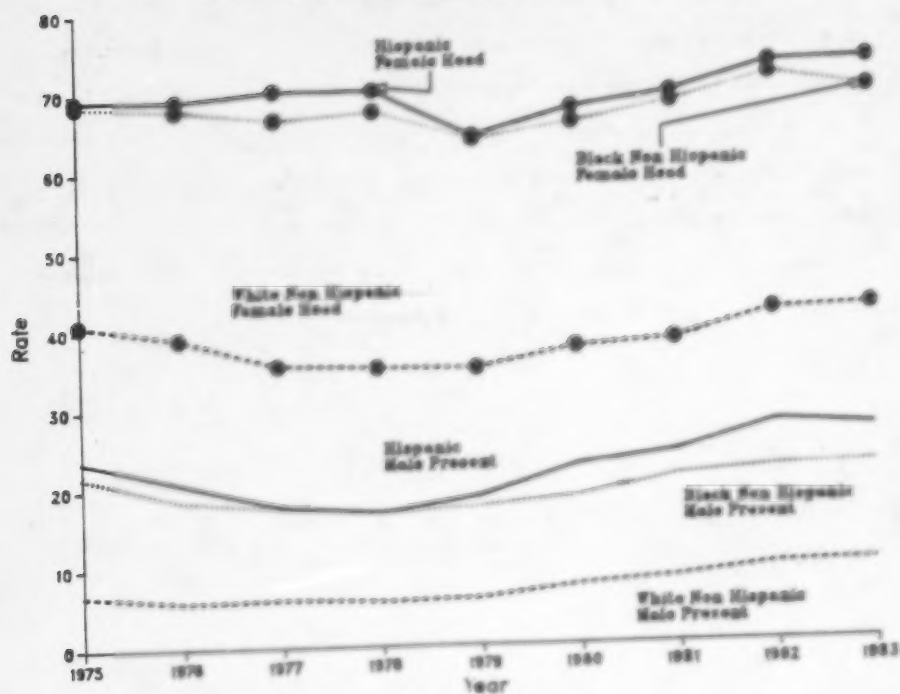
e/ Total includes "other non-Mexican children."

Note: Prepared by CBS using data from the March supplement to the Current Population Survey for each year.

Trends in Poverty Rates Since 1975. The trends in poverty rates among different race and family types from 1975 to 1983 appear in chart 4.4. Consistently over this period Hispanic children in either female-headed or male-present families showed higher poverty rates than non-Hispanic children, either black or white.

As observed elsewhere 21/ the poverty rates for all children rose steadily from 1978 to 1983. Among Hispanic and non-Hispanic black children, however, the poverty rates declined slightly from 1982 to 1983 (from 39.2 to 37.7 percent of Hispanic children and from 46.1 to 45.2 percent of non-Hispanic black children). In the case of Hispanic children, the decline was dominated by the decline shown in chart 4.4 for children in male-present families. Conversely, in the case of black non-Hispanic children, the decline was dominated by the decline in poverty rates for children in female-headed families.

CHART 4.4. A Comparison of Poverty Rates for Children ^{1/}
By Family Type, Race and Hispanic Origin: 1975-1983



^{1/} Own-related children

Note: Prepared by CRS using data from the March 1984 supplement to the Current Population Survey.

The overall increase from 1978 to 1983 was relatively greater in male-present families than in female-headed families in each race/ethnic group. In addition, in spite of the fact that they were starting with higher rates, the increase in poverty among Hispanic children living in male-present families was greater than among non-Hispanic black children in such families. Among Hispanic children living in male-present families, the poverty rate rose nearly 59 percent from 1978 to 1983, compared to an increase of nearly 32 percent and 77 percent, respectively, among non-Hispanic black children and non-Hispanic white children in such families.

Support Table for Chart 4.4. Poverty Rates for Own Related Children by Family Type, Race, and Hispanic Origin, 1975 to 1983

Poverty rates for own related children																		
Hispanic					White non-Hispanic					Black non-Hispanic								
Year	Overall (thousands)	Male present	Female head	Overall (thousands)	Male present	Female head	Overall (thousands)	Male present	Female head	Overall (thousands)	Male present	Female head						
1983	37.7	27.0	73.6	14.1	10.1	42.3	45.2	22.4	69.9									
1982	39.2	27.6	73.3	13.7	9.8	41.9	46.1	22.1	71.9									
1981	35.4	24.3	69.7	12.2	8.4	38.4	43.3	21.2	65.8									
1980	33.0	22.8	67.9	11.1	7.6	37.6	41.1	18.7	66.1									
1979	27.2	18.9	64.4	9.4	6.0	35.1	40.3	17.6	64.1									
1978	26.9	17.0	70.4	9.0	5.7	35.3	40.7	17.0	67.8									
1977	27.8	17.8	70.4	9.4	6.1	35.6	40.4	17.5	66.8									
1976	30.0	20.8	69.2	9.3	5.8	39.1	40.2	18.5	68.1									
1975	32.7	23.7	69.2	10.3	6.8	40.9	41.3	21.6	68.6									
Percentage change 1975-1983:										13.3	13.9	6.4	38.9	48.5	3.4	9.4	3.7	1.9
1978-1983:										40.1	58.8	4.5	56.7	77.2	19.8	11.1	31.8	3.1

Changes in the Composition of Poor Children Since 1975. As a result of the increasing numbers of Hispanic children and the rapidly increasing poverty rates in male-present families, the composition of the population of poor children has changed since the mid-1970s (Table 4.3). In 1978, the proportion of poor children in female-headed families was at a peak of 56.5 percent. Since 1978, poverty rates have risen faster in male-present families and the proportion of poor children in female-headed families decreased in 1983 to 48.6 percent, as table 4.3 shows. The proportion of poor children in male-headed families increased more than twice as much among non-Hispanic black children as among Hispanic children (15 percent vs. 7 percent). The share of poor non-Hispanic white children in male-present families increased by 11 percent.

TABLE 4.3. Percentage Composition of Non Related Children in Poverty by Family Type, Race, and Hispanic Origin: 1975 to 1983

Year	Percentage composition by race and family type									
	Hispanic			Non-Hispanic white			Non-Hispanic black			Total ^{a/}
	Overall (thousands)	Female- headed	Male- present	Overall (thousands)	Female- headed	Male- present	Overall (thousands)	Female- headed	Male- present	
1983	1,917	44.8%	55.2%	6,082	37.5%	62.5%	3,426	74.2%	75.9%	11,969
1982	1,962	46.7%	53.3%	5,893	36.9%	63.1%	3,494	75.2%	76.8%	11,751
1981	1,726	46.2%	53.8%	5,353	40.1%	59.9%	3,329	74.2%	75.8%	10,794
1980	1,595	46.5%	53.5%	4,964	39.4%	60.6%	3,166	75.0%	76.1%	10,068
1979	1,379	43.2%	56.8%	4,116	44.2%	55.8%	3,081	77.7%	78.3%	8,921
1978	1,255	40.4%	59.6%	4,023	43.7%	56.3%	3,110	77.6%	78.5%	8,607
1977	1,316	48.1%	51.9%	4,311	42.8%	57.2%	3,122	76.7%	78.3%	9,937
1976	1,346	44.0%	56.0%	4,307	44.0%	56.0%	3,139	74.1%	75.9%	9,122
1975	1,512	41.7%	58.3%	4,937	40.7%	59.3%	3,291	69.6%	70.4%	9,931

^{a/} Total includes "other non-Hispanic children."

Note: Table prepared by CES using data from the March Supplement to the Current Population Survey for each year.

For the 5-year period, 1978-1983, as table 4.4 shows, the number of own related poor Hispanic children rose by nearly 53 percent, 22/ compared to increases of slightly more than 10 percent and 51 percent, respectively, among non-Hispanic black children and non-Hispanic white children. Hispanics represented 14.6 percent of the total number of poor children in 1978, 16.7 percent in 1982, and 16.0 percent in 1983. In 1978, Hispanic children in female-headed families represented 7.1 percent of the total number of poor children; in 1983 that figure was about the same (7.2 percent). Hispanic children in male-present families, however, increased as a share of poor children, from 7.5 percent in 1978 to 8.8 percent in 1983.

22/ In the same period the number of all poor Hispanic children increased by 56 percent, from 1,383,000 in 1978 to 2,160,000 in 1983. See Table B.2 in Appendix for 1975-1983 data on all children rather than own related children.

Changes in Poverty Gaps Since 1975. The aggregate poverty deficit for all children under 18 ^{23/} rose from \$10.8 billion in 1975 (measured in constant 1983 dollars) to \$15.9 billion in 1983, a climb of 47 percent.

The aggregate poverty deficit of children increased during these years because of a rise in both the incidence of their poverty and its average severity. In the case of Hispanic children (but not total children) there also was an underlying rise in population.

The per capita poverty gap of Hispanic children, although consistently lower than that of total children, rose relatively more than that of total children. It climbed from \$819 in 1975 (1983 dollars) to \$1,081 in 1983, an increase of 32 percent, compared to a rise of 18 percent for all poor children. (See table 4.5.) Moreover, the aggregate income deficit for Hispanic children increased ~~44~~ percent from 1975 to 1983, compared with a rise of 47 percent for all children over the same period.

^{23/} This section calculates poverty deficits of children (not families with children, as was done for 1983 in chapter 3). It divides a family's total income deficit equally among family members and then totals pro-rata deficits of children.

TABLE 4.5. Poverty Income Deficits for All Children and Hispanic Children, 1975-1983
(constant 1983 dollars) a/

Year	All Hispanic children under 18		All children under 18	
	Aggregate income deficit (millions)	Per capita deficit	Aggregate income deficit (millions)	Per capita deficit
1983	\$2,334	\$1,081	\$15,869	\$1,149
1982	2,253	1,034	15,623	1,145
1981	1,896	985	13,688	1,095
1980	1,685	960	12,431	1,076
1979	1,388	918	10,721	1,060
1978	1,263	913	11,721	1,148
1977	1,144	804	10,187	998
1976	1,190	825	9,750	951
1975	1,342	819	10,786	973
Percentage change				
1975-1983	+74	+32	+47	+18

a/ For aggregate poverty income deficits of non-Hispanic white and black children, 1975-1983, see appendix table B-4.

Effects of Marital Status on Poverty of Children in Female-Headed

Household Heads. Although children living in female-headed families in general are at much higher risk of living in poverty, poverty rates vary substantially within female-headed families, depending on the marital status of the mother. Table 4.6 shows the poverty rates in 1983 for children whose mothers were divorced or separated, never married, or widowed. Among Hispanics and non-Hispanics of either race, children whose mothers are never married were subject to the highest poverty rates, followed by children whose mothers were divorced or separated, then widowed. Poverty rates for Hispanic children with never-married mothers were nearly twice as high as the rates for those with widowed

mothers; among non-Hispanic white children the rates were more than three times as high. This disparity was much smaller among non-Hispanic black children.

TABLE 4.6. Poverty Rates for Children a/ in Female-Headed Families, by Marital Status of Mother, Race, and Hispanic Origin: 1983

Marital status of mother	Poverty rates by race and Hispanic origin		
	Hispanic	Non-Hispanic white	Non-Hispanic black
Divorced or separated	73.3	42.4	66.7
Never married	85.3	65.4	78.7
Widowed	45.0	20.8	57.0
Total	73.6	42.3	69.9

a/ Own Related Children.

Note: Table prepared by CRS using data from the March 1984 Current Population Survey.

Among children whose mothers were never married, or divorced or separated, Hispanic children had higher poverty rates than either non-Hispanic whites or blacks. Among children whose mothers were widowed, however, Hispanic poverty rates fell between those of non-Hispanic whites and non-Hispanic blacks.

The share of all children in the different types of female-headed families varied among the different race and ethnic groups. Hispanic children in these families were more likely to have divorced or separated mothers than were non-Hispanic black children (71.0 and 57.1 percent, respectively). (See table 4.7.) Hispanic children were less likely to have a never-married mother than non-Hispanic black children (21.4 and 36.8 percent, respectively). In contrast, non-Hispanic white children were much more likely to have divorced or separated

mothers (82.7 percent) and less likely to have never married mothers (7.4 percent) than either of the other two groups. In all three groups, fewer than 10 percent of children had widowed mothers.

TABLE 4.7. Composition of the Total and Poor Child Population ^{a/} According to the Marital Status of the Female Head of Household, by Race and Hispanic Origin: 1983

Child population and marital status of female head	Percent of children in female-headed families, by race and Hispanic origin		
	Hispanic	Non-Hispanic white	Non-Hispanic black
Total own related children			
Divorced or separated	71.0	82.7	57.1
Never married	21.4	7.4	36.8
Widowed	7.6	9.9	6.1
Total	100.0	100.0	100.0
Poor own related children			
Divorced or separated	70.6	83.6	34.0
Never married	24.8	11.5	41.0
Widowed	4.6	4.9	5.0
Total	100.0	100.0	100.0

^{a/} Own related children.

Note: Prepared by CRS using data from the March 1984 Current Population Survey.

The differential poverty rates and the composition of children in female-headed families affected the 1983 composition of poor children, as table 4.7 also shows. In all three groups examined, a disproportionate share of poor children had never-married mothers. Among Hispanic children, nearly 25 percent of poor children has such mothers, in contrast to 21 percent of all Hispanic children. Among non-Hispanic black children, 41 percent of poor children had

never-married mothers, in comparison to 37 percent of all children. For non-Hispanic white children, the figures were 12 and seven percent, respectively.

Birth Rates to Unmarried Women. The very high poverty rates among never-married women raise the issue of birth rates to unmarried women in these different population groups. Data on birth rates to Hispanic women are very sparse for two reasons. First, vital statistics on the number of births, produced by the National Center for Health Statistics, have only designated Hispanic origin since 1978. Over the years since, the number of States obtaining these data has increased, but the available data are not consistent from year to year. Second, population estimates needed to estimate the actual rates are not yet produced by the Bureau of the Census for Hispanics in the years between the decennial censuses. Consequently, trend data on birth rates are not available for examination. However, rates are available for 1980 (based on 1980 Census population counts), and they show some important differences between Hispanics and non-Hispanics, and whites and blacks.

Table 4.8 shows that in 1980 birth rates to unmarried Hispanic women were higher than for non-Hispanic women for all age groups. Birth rates to unmarried Hispanic women were between those of the total white and black population ^{24/}. At younger ages, Hispanic women had lower rates of births out of wedlock than black women in general, but at older ages, this reversed so that Hispanic women had higher rates after age 30. However, at these ages, relatively few women were unmarried. Thus, the difference in rates implied a much smaller numerical difference than the same rate difference would for younger women, when many are unmarried.

^{24/} These figures include Hispanics, and so are biased in the direction of the Hispanic rates: upward for whites and downward for blacks.

TABLE 4.8. Birth Rates for Unmarried Women by Age, Race, and Hispanic Origin of Mother a/: 1980

Birth rates <u>b/</u> to unmarried women by race and Hispanic origin					
Age of mother	Total	Hispanic	Non-Hispanic	Total white <u>c/</u>	Total black <u>c/</u>
15-19	29.1	39.7	27.7	16.2	89.2
15-17	21.7	28.3	20.8	11.8	69.6
18-19	41.4	60.5	39.0	23.6	120.2
20-24	42.5	76.5	38.7	24.4	115.1
25-29	34.2	71.1	30.2	20.7	83.9
30-34	22.0	53.9	18.5	13.6	48.2
35-44	6.9	19.6	5.5	4.5	13.5

a/ Birth rate estimates based on total of 22 reporting States.

b/ Births per 1,000 unmarried women in specified groups.

c/ Includes mothers of Hispanic origin.

Note: U.S. National Center for Health Statistics. Vital and Health Statistics. Birth and Fertility Rates for States, United States, 1980. National Vital Statistics System, Series 21, No. 42. DHHS Pub. No. (PHS) 84-1920. Public Health Service. Washington, U.S. Govt. Print. Off., Sept. 1984.

B. How Is Children's Poverty Related to the Educational Status of Their Parents?

When parents have not completed high school, their children are much more likely to be poor. Table 4.9 shows that in 1983 Hispanic children (in married-couple families) whose father failed to complete high school were nearly three times as likely to be poor as were children whose father had completed high school (38.0 and 13.3 percent, respectively). Hispanic children whose fathers had attended some college had poverty rates about half as high as those whose father had stopped after completing high school (8.7 and 16.5 percent, respectively), but higher than those of non-Hispanic fathers, black or white, with some college. More than one out of three Hispanic children whose father failed

to complete high school was poor compared with more than 25 percent of non-Hispanic white children in this situation and with 42 percent of non-Hispanic black children. Among non-Hispanic whites, the poverty rate for children whose father had not finished high school was more than triple that for children of graduates.

TABLE 4.9. Poverty Rates Among Children in Married-Couple and Single Female-Headed Families by Race, Hispanic Origin and Parents' Education a/: 1983

Parents' educational attainment	Child poverty rates by race and Hispanic origin			
	Total	Hispanic	Non-Hispanic white	Non-Hispanic black
Married-couple families (total)	12.7	26.5	9.9	21.7
Father's education only:				
Failed to complete high school <u>b/</u>	31.5	38.0	25.3	41.7
Completed high school	8.3	13.3	7.3	14.3
High school diploma only	11.9	16.5	10.4	19.8
Completed some college <u>c/</u>	5.1	8.7	4.7	6.4
Father and mother's education:				
Neither completed high school <u>b/</u>	39.6	41.4	33.2	48.8
Only mother completed high school	20.4	25.3	17.8	33.2
Only father completed high school	22.1	21.5	19.7	34.7
Both completed high school	6.9	10.2	6.2	11.9
Single female-headed families (total)	55.4	74.0	42.1	70.5
Mother's education:				
Failed to complete high school <u>b/</u>	81.3	83.5	71.3	90.3
Completed high school	42.6	54.6	33.2	58.6
High school diploma only	48.7	63.4	37.8	65.7
Completed some college <u>c/</u>	30.4	33.9	24.8	41.7

a/ Based on highest year of schooling completed.

b/ Includes persons who did not start high school.

c/ Includes persons who were graduated from college.

Note: Table prepared by CRS using data from the March 1984 Current Population Survey. Data are for "own related children" in primary and secondary families only.

If neither parent in an Hispanic married couple had completed high school, more than 41 percent of Hispanic children were likely to be poor, a rate more than four times above that of children whose mother and father both had completed high school (10.2 percent).

Poverty rates among children in female-headed families were very high in 1983, regardless of whether the mother had or had not completed high school. Hispanic children whose mother had not completed high school were about 53 percent more likely to be poor than were children whose mother had finished. When the mother had attended some college, the poverty rate among children was reduced by nearly half from that of children whose mother stopped school after receiving a high school diploma.

Poverty rates for Hispanic children in female-headed families were substantially higher than those for non-Hispanic white children regardless of their mother's education, but the difference was greater for those whose mothers completed high school. For Hispanic children whose mothers did not complete high school, the rates were more than one-sixth higher than for such non-Hispanic white children; for children whose mothers did complete high school Hispanic poverty rates were 1.6 times as high as those of non-Hispanic whites. The rates for non-Hispanic black children were about seven to eight percent higher than for Hispanic children, regardless of whether or not their mothers completed high school. However, children whose single mothers completed some college, poverty rates for non-Hispanic blacks were 23 percent higher than for Hispanics.

The very high poverty rates for children whose parents have not completed high school raises the question: What proportion of parents in each group did not complete high school? Table 4.10 shows the percentage of all children whose parents were in each of the three educational attainment categories ^{25/} shown in the preceding table. In married-couple families, which account for three-fourths of Hispanic children, over 53 percent of Hispanic children in

^{25/} These three categories (failed to complete high school, received high school diploma only, completed some college) are broad classifications. They do not distinguish between the person who left school at 12 and another who stayed until 17, nor between a college graduate and a person who stopped college after the first year.

1983 had fathers who had not completed high school, a rate more than triple that among non-Hispanic white children and almost double that among non-Hispanic black children. In married-couple families more than 42 percent of Hispanic children had two parents without a high school diploma, a rate six times that of non-Hispanic whites and almost triple that of non-Hispanic blacks. Hispanic children living in female-headed families had an even higher percentage of mothers who had not completed high school; 67.1 percent of children in such families had mothers without a high school diploma. In contrast, among non-Hispanic white and black children, 23.4 and 37.7 percent, respectively, lived with mothers who had not completed high school.

These high rates of parental failure to achieve high school graduation, ranging from almost double to six times those of their black or white counterparts, confront Hispanic children with a severe disadvantage and are a major obstacle to reducing their poverty.

TABLE 4.10. Educational Attainment of Children's Parents in Married-Couple and Single Female-Headed Families by Race and Hispanic Origin: 1983

Parents' educational attainment	Percent of children by race and Hispanic origin			
	Total	Hispanic	Non-Hispanic white	Non-Hispanic black
Married-couple families (total)	100.0	100.0	100.0	100.0
Father's education only:				
Failed to complete high school <u>a/</u>	19.0	53.2	14.3	27.1
Completed high school	81.0	46.8	85.7	72.9
High school diploma only	37.9	27.6	39.1	42.7
Completed some college <u>b/</u>	43.1	19.3	46.6	30.2
Father and mother's education:				
Neither completed high school <u>a/</u>	11.0	42.1	7.0	14.8
Only mother completed high school	8.0	11.0	7.4	12.3
Only father completed high school	7.5	12.9	6.8	7.6
Both completed high school	73.6	33.9	78.9	65.3
Single female-headed families (total)	100.0	100.0	100.0	100.0
Mother's education:				
Failed to complete high school <u>a/</u>	33.2	67.1	23.4	37.7
Completed high school	66.8	32.9	76.6	62.3
High school diploma only	44.4	22.8	49.3	43.8
Completed some college <u>b/</u>	22.4	10.1	27.3	18.5

a/ Includes persons who did not start high school.

b/ Includes persons who were graduated from college.

Note: Table prepared by CRS using data from the March 1984 Current Population Survey. Data are for "own related children" in primary and secondary families only.

C. Does the Age of Parents Affect Poverty Among Children?

In general, children of younger parents are more likely to be poor than those of older parents, whether the children are living with both their mother and father or just their mother. In married-couple families, as table 4.11 shows, Hispanic children whose father is under age 30 are more than 26 percent more likely to be poor than if their father is over that age (with rates of

31.8 and 25.1 percent, respectively). Among non-Hispanic white children the effect is even greater; children of younger fathers are over 72 percent more likely to be poor than children of older fathers (15.2 and 8.8 percent, respectively). Among non-Hispanic black children, the age of the father does not seem to make a substantial difference in the poverty rates of their children.

TABLE 4.11. Poverty Rates Among Children in Married-Couple and Single Female-Headed Families According to Race, Hispanic Origin and Age of Family Head: 1983

	Poverty rates by age of head	
	Less than 30	30 or older
Married-couple families <u>a/</u>		
Total	18.1	11.5
Hispanic	31.8	25.1
Non-Hispanic white	15.2	8.8
Non-Hispanic black	21.5	21.8
Female-headed families <u>b/</u>		
Total	73.1	47.5
Hispanic	87.4	68.4
Non-Hispanic white	64.7	34.1
Non-Hispanic black	78.9	65.0

a/ Age of father.

b/ Age of mother.

Note: Table prepared by CRS using data from the March 1984 Current Population Survey. Data are for "own related children" in primary and secondary families only.

The same relationship holds with children in female-headed families. Hispanic children of younger mothers are nearly 28 percent more likely to be poor. Among non-Hispanic whites and blacks, children of younger mothers are 90 and 21 percent more likely to be poor, respectively, than are children of older mothers.

In general, Hispanic children have parents who are younger than those of non-Hispanic white children but older than those of non-Hispanic black children. Table 4.12 shows the 1983 composition of the child population according to the age of their father (in married-couple families) or mother (in female-headed families). About 24 percent of Hispanic children had parents under age 30, compared to 20 percent of non-Hispanic white children and 32 percent of non-Hispanic black children. These figures vary according to the type of family, with female-headed families younger than married couple families, but the relationship among the three groups remains the same.

TABLE 4.12. Age of Children's Parents by Family Type, Race, and Hispanic Origin: 1983

Family type, race and Hispanic origin	Percent of children by age of head		
	Total	Less than 30	30 or older
Married-couple families			
Total	100.0	17.7	82.3
Hispanic	100.0	20.6	79.4
Non-Hispanic white	100.0	17.2	82.8
Non-Hispanic black	100.0	21.5	78.5
Female-headed families			
Total	100.0	31.1	68.9
Hispanic	100.0	29.4	70.3
Non-Hispanic white	100.0	26.0	74.0
Non-Hispanic black	100.0	39.8	60.2
All families			
Total	100.0	21.7	78.3
Hispanic	100.0	23.7	76.3
Non-Hispanic white	100.0	19.9	80.1
Non-Hispanic black	100.0	32.2	67.8

Note: Table prepared by CRS using data from the March 1984 Current Population Survey.

This finding is in some respects counterintuitive, because fertility rates are higher among Hispanic women than among either white or black non-Hispanic women. The total fertility rate for Hispanic women in 1980 was 2.534, compared to 1.692 among non-Hispanic white women and 2.354 among non-Hispanic black women. ^{26/} Generally, higher fertility rates are associated with younger populations, and that is the case since in 1980 the Hispanic population had a median age of 23.2, and the median ages for non-Hispanic whites and non-Hispanic blacks were 31.7 and 24.9 respectively. ^{27/} Why, then, are the ages of parents discrepant?

Several factors must be operating together to cause this phenomenon. Changing patterns of marriage, divorce and childbearing among black women lead a disproportionate number of young black mothers to be single. Thus, a very high percentage of non-Hispanic black children in female-headed families had young mothers. In addition, Hispanics, though they have high birth rates overall, have a different pattern of bearing children over the course of a lifetime than either non-Hispanic blacks or whites. Before they have reached age 25, black women had more than half the children they will ultimately bear, in comparison to Hispanic and non-Hispanic white women who have had only 35 to 40 percent of all the children they will bear. Non-Hispanic white women have their highest birth rates in the second half of their twenties, so that by age 30

^{26/} The total fertility rate indicates the total number of children a woman would bear over her lifetime if she were subject to the same age specific rates observed in a single calendar year. The data source for the fertility rates is National Center for Health Statistics. Birth and Fertility Rates for States, United States, 1980. Vital and Health Statistics. Series 21, No. 42. DHHS Pub. No. (PHS)84-1920, Public Health Service. Washington. U.S. Govt. Print. Off., Sept. 1984. Table 6.

^{27/} U. S. Bureau of the Census. 1980 Census of Population. Volume 1, Characteristics of the Population. PC80-1-C1. U. S. Summary. Washington. U. S. Govt. Print. Off., 1983.

they are not much different from non-Hispanic black women in terms of percent of childbearing completed (nearly 80 percent). Hispanic women, however, at age 30 have completed only about 73 percent of their childbearing; they tend not only to have higher birth rates overall, but also to spread their childbearing over a longer period. As a result, more children are born to older women, and relatively more mothers are over age 30, both when their children are born and until their youngest child reaches adulthood. These tendencies are sufficient to increase the percentage of Hispanic children who have older parents above that of non-Hispanic black children, while keeping it below that of non-Hispanic white children.

The higher poverty rates among younger families, in combination with the age distribution of the parents of children, affect the composition of the poor children according to the age of their parents, as table 4.13 shows. Poor children have younger parents than children as a whole; this is true for both Hispanics and non-Hispanics. However, the persistently high poverty rates among Hispanic and non-Hispanic black children with older parents lead to relatively more poor children in these groups with older parents than is the case with non-Hispanic white children. The combination of these high poverty rates and a relatively high proportion of all children in female-headed families with older parents lead to a comparatively high proportion of Hispanic poor children in female-headed families with older mothers.

TABLE 4.13. Age of Poor Children's Parents by Family Type, Race, and Hispanic Origin: 1983

Family type, race and Hispanic origin	Percent of poor children by age of head		
	Total	Less than 30	30 or older
Married-couple families			
Total	100.0	25.2	74.8
Hispanic	100.0	24.7	75.3
Non-Hispanic white	100.0	26.4	73.6
Non-Hispanic black	100.0	21.3	78.7
Female-headed families			
Total	100.0	41.0	59.0
Hispanic	100.0	34.8	65.2
Non-Hispanic white	100.0	40.0	60.0
Non-Hispanic black	100.0	44.3	55.5
All families			
Total	100.0	34.4	65.6
Hispanic	100.0	30.1	69.9
Non-Hispanic white	100.0	33.3	66.7
Non-Hispanic black	100.0	40.0	60.0

Note: Prepared by CRS using data from the March 1984 Current Population Survey. Data are for children in primary and secondary families only.

D. How Does Family Size Affect Poverty Among Hispanic Children?

As discussed elsewhere 28/, family size affects poverty rates among children in two ways: first, by increasing the level of income a family needs to rise out of poverty and second, by contributing more children to the count of children in poverty.

Hispanic children tend to live in larger families than non-Hispanic white or black children. Table 4.14 shows that the since the mid-1970s the size of

28/ Children in Poverty, p. 85 ff.

the families in which Hispanic children live has not decreased as much as that of non-Hispanic children, black or white. In 1975, almost 39 percent of Hispanic children lived in families with four or more children, and by 1983 that figure had declined to 28.4 percent, a decrease of 27 percent. The decline in the share of children living in large families for non-Hispanic whites was 46 percent (from 22.7 to 12.3 percent) and the decline for non-Hispanic blacks was 43 percent (from 42.7 to 24.2 percent).

TABLE 4.16. Percentage Composition of Children ^{a/} by Family Size, Race, and Hispanic Origin: 1975 to 1993

Year	Percentage composition by race and family size									
	Hispanic			Non-Hispanic white			Non-Hispanic black			Total ^{b/}
	Overall (thousands)	1-3 Children	4+ Children	Overall (thousands)	1-3 Children	4+ Children	Overall (thousands)	1-3 Children	4+ Children	Overall (thousands)
1983	5,083	71.62	28.42	43,032	87.72	12.37	7,385	75.82	24.22	57,602
1982	5,007	69.72	30.32	43,137	87.67	12.42	7,382	73.67	26.42	57,551
1981	4,870	68.92	31.12	43,741	86.82	13.22	7,681	71.72	28.32	57,969
1980	4,831	68.82	31.22	44,578	86.02	14.02	7,701	70.22	29.82	58,757
1979	5,082	70.92	29.12	43,794	86.67	15.47	7,655	68.32	31.72	57,769
1978	4,671	68.62	31.42	44,756	83.22	16.82	7,644	65.82	34.22	56,297
1977	4,738	67.52	32.52	45,922	81.42	18.62	7,733	63.02	37.02	56,506
1976	4,486	66.92	33.12	47,085	79.12	20.92	7,603	58.62	41.42	60,670
1975	4,627	61.32	38.72	47,974	77.32	22.72	7,766	57.32	42.72	61,615

^{a/} Own related children.^{b/} Total includes "other non-Hispanic children."

Note: Prepared by CPS using data from the March supplement to the Current Population Survey for each year.

In combination with higher poverty rates in larger families, the slower decline in family sizes tended to maintain the relatively high poverty rate of Hispanic children. Table 4.13 shows that poverty rates have been consistently higher in larger families. However, in the period of generally rising poverty rates, the rates increased faster in smaller families than in larger ones, except among non-Hispanic whites. Among Hispanic children in families with 1 to 3 children, poverty rates increased by nearly 52 percent between 1978 and 1983 (from 20.3 to 30.8 percent). Poverty rates in larger families increased by 34 percent (from 41.2 to 55.3 percent). In both cases the rates decreased from 1982 to 1983. Among non-Hispanic white children, the increases were 61 and 74 percent, respectively, in smaller and larger families. For non-Hispanic black children, the increases in poverty rates were 25 and 9 percent, respectively.

TABLE 4.15. Poverty Rates by Family Size, Race, and Hispanic Origin: 1975 to 1983

Poverty rates by race and family size									
Year	Hispanic		Non-Hispanic white		Non-Hispanic black		Total ^{a/}		
	1-3 children	4+ children	1-3 children	4+ children	1-3 children	4+ children	1-3 children	4+ children	Overall
1983	30.8	55.2	12.4	26.8	38.9	64.7	17.1	40.8	20.8
1982	32.1	55.6	11.7	27.6	37.9	68.8	16.3	41.8	20.4
1981	26.2	55.9	10.8	21.8	35.2	63.8	14.8	37.3	18.6
1980	24.3	52.3	9.7	20.1	33.1	59.9	13.4	34.2	17.1
1979	21.0	42.4	7.9	17.5	31.2	59.7	11.7	30.7	15.3
1978	20.3	41.2	7.7	15.2	31.0	59.3	11.2	28.5	14.8
1977	21.2	41.7	7.7	16.7	30.5	57.2	11.1	28.9	15.1
1976	22.3	45.6	7.6	15.9	30.5	53.9	11.0	27.6	15.1
1975	23.5	47.3	8.1	17.7	30.4	55.1	11.4	29.1	16.1

^{a/} Total includes "other non-Hispanic children."

Note: Prepared by CHS using data from the March supplement to the Current Population Survey for each year.

In 1983, poverty rates among Hispanic children in larger families were almost 80 percent higher than in smaller families. The family size differential was greater among non-Hispanic white children and smaller among non-Hispanic black children. In both family size categories, poverty rates were higher among non-Hispanic black children than among Hispanic children.

The higher poverty rates in large families mean that a disproportionate number of poor children will live in large families. Table 4.16 shows that for Hispanic children, the combined effects of larger family size and high poverty rates lead to a larger share of poor children living in families with four or more children. In 1983, 42 percent of poor Hispanic children lived in these families, in contrast with 28 percent of all Hispanic children. Among poor non-Hispanic black children, 35 percent lived in larger families, compared to 24 percent of all non-Hispanic black children. Non-Hispanic white children are subject to the same tendency; 23 percent of these poor children lived in larger families compared to 12 percent of all children.

TABLE 4.16. Percentage Composition of Poor Children ^{a/} by Family Size, Race, and Hispanic Origin: 1975 to 1983

Composition by race and family size										
Year	Hispanic			Non-Hispanic whites			Non-Hispanic black			Total ^{b/}
	Overall (children and 4+)	1-3 children	4+ children	Overall (children and 4+)	1-3 children	4+ children	Overall (children and 4+)	1-3 children	4+ children	
1983	1,451	58.10	41.30	6,080	76.79	23.30	3,436	45.30	54.70	31,006
1982	1,942	57.60	42.40	3,093	76.09	23.90	3,406	60.60	39.40	11,751
1981	1,736	59.60	40.40	3,513	76.36	23.64	3,509	59.30	40.70	10,794
1980	1,395	59.50	40.50	6,966	76.62	23.38	3,166	59.60	40.40	10,006
1979	1,379	58.40	41.60	6,116	71.30	28.70	3,093	55.60	44.40	9,201
1978	1,255	51.60	48.40	6,083	71.70	28.30	3,160	60.30	39.70	8,667
1977	1,316	51.90	48.10	6,511	67.60	32.40	3,122	57.30	42.70	9,632
1976	1,366	66.70	33.30	6,587	66.30	33.70	3,198	66.30	33.70	9,120
1975	1,013	66.10	33.90	6,937	61.60	38.40	3,291	61.60	38.40	9,451
Percentage Change										
1975-1983	36.60	10.60	-25.60	23.30	25.70	-46.30	6.10	58.70	-61.60	20.30
1976-1983	53.60	13.60	-46.60	51.20	7.60	-37.60	16.10	30.30	-30.60	16.20
Total										
^{a/} Non related children.										
^{b/} Total includes "other non-Hispanic children."										

Notes: Prepared by CES using data from the March supplement to the Current Population Survey for each year.

The share of poor children in larger families has been declining over time, however, in all groups. Poverty rates have risen faster in smaller families and family size has declined so that the share of children exposed to the higher risk of poverty has declined. Whereas in 1973 almost 56 percent of all poor Hispanic children lived in larger families, by 1983 that had declined to 41.3 percent. Among non-Hispanic blacks, the share of poor children in larger families declined from 38.8 to 34.7 percent over the same period, and among non-Hispanic whites, from 39.0 to 23.3 percent.

B. How Do Demographic Factors Combine To Affect Poverty Rates?

The previous sections have demonstrated that children who differ on individual characteristics are subject to different risks of living in poverty. These characteristics can be examined in combination to identify more specifically the composition of poor children in comparison to the population as a whole and to provide more detail about the poverty rates of specific groups of children. Chart 4.5 shows the composition of the total and poor child population as well as poverty rates for different groups of children.^{29/} Information is shown for Hispanic, non-Hispanic white, and non-Hispanic black children. The characteristics examined in combination are race and Hispanic origin, family type, and family size. Data are provided for 1973 and 1983 to demonstrate changes in the effects of characteristics over this period.

^{29/} The concept for this data presentation is drawn from Sheldon Danziger. *Children in Poverty: the Truly Needy Who Fall Through the Safety Net*. Institute for Research on Poverty Discussion Papers. University of Wisconsin-Madison. November 1981.

Total

100.0--Composition of total child population
 100.0--Composition of poor child population
 20.8--Poverty rate

<u>Hispanic</u>			<u>Non-Hispanic White</u>			<u>Non-Hispanic Black</u>		
<u>Male-present</u>			<u>Male-present</u>			<u>Male-present</u>		
1-3 Children	4+	Female-headed Children	1-3 Children	4+	Female-headed Children	1-3 Children	4+	Female-headed Children
6.8		2.0	65.4		9.4	6.9		4.3
8.8		7.2	31.8		19.0	7.4		21.7
27.0		73.6	10.1		42.3	22.4		69.9
<u>Female-headed</u>			<u>Female-headed</u>			<u>Female-headed</u>		
1-3 Children	4+	Children	1-3 Children	4+	Children	1-3 Children	4+	Children
4.9	1.4	1.5	57.1	8.2	8.4	5.3	1.6	4.7
4.6	4.2	4.7	23.0	8.8	16.0	4.1	3.3	14.6
13.3	44.9	67.1	5.1	22.2	39.5	10.6	43.3	64.4
								86.0

a/ Own related children. Percentages do not add to 100 because the chart does not include "other non-Hispanic."

Note: Prepared by CWS using data from the March 1984 Current Population Survey.

The first number in each cell of the chart shows the composition of the total child population; the second number shows the composition of the poor child population. The third number shows the poverty rate for that group. To take an example, the chart for 1975 shows that 2.3 percent of all children are Hispanic and live in male-present families with four or more children. However, 5.3 percent of all poor children live in such families. The poverty rate for these children is 37.3 percent.

Several notable differences between 1975 and 1983 appear from these data. Hispanic children in general increased as a share of all children, and, to a lesser extent, as a share of poor children. The proportion of Hispanic children living in female-headed families was greater in 1983 (2.0 percent of all own related children compared to 1.5 percent in 1975). As a result, they formed a greater share of the poor child population, 7.2 percent of all poor children compared to 6.3 percent in the earlier year. Among Hispanic children in female-headed families, the increase in the proportion of those in smaller families was greater than the increase in the proportion in larger families. As a result, the share of Hispanic poor children in smaller female-headed families increased from 3.1 to 4.7 percent of all poor children, an increase of more than 50 percent. Poverty rates for this group of children increased by nearly 15 percent between these two years, from 58.5 to 67.1 percent.

Among all race and ethnic groups, the proportion of children in female-headed families increased from 1975 to 1983. The increase amounted to 33 percent for Hispanic children, almost double the 17 percent increase shown by Hispanic black and white children in the share of all children living in female-headed families. As a result of changes in the share of children in the population in combination with differential increases in poverty rates, the only two groups to increase as a share of the population of poor children were Hispanic

children in female-headed families (whose share increased by 14 percent, from 6.3 to 7.2 percent) and non-Hispanic white children in male-present families (whose share increased by 8 percent, from 29.5 to 31.8 percent). In the first case, the increased share is dominated by the increase in the share of all children with these characteristics. In the latter case, it is dominated by the relatively large increase in the poverty rate for these children (an increase of 49 percent, from 6.8 to 10.1 percent) and the very high share of all children living in these families (65.4 percent in 1983).

Within both male-present and female-headed families in all groups shown, the share of children living in small families increased between these two years. The share of all children in large families declined sharply among non-Hispanic whites and blacks, but remained constant at 0.6 percent for Hispanic children in female-headed families. As a combined result of the trends of declining family size and poverty rate increases, in all cases the share of poor children in small families increased. That increase was particularly sharp among Hispanic children; the share of poor children in small male-present families increased by 28 percent (from 3.6 to 4.6 percent) and the share in small female-headed families increased by more than 50 percent (from 3.1 to 4.7 percent).

In sum, the major demographic factors operating here were the increasing share of children in Hispanic families, an increasing share of children in female-headed families, and generally decreasing family size. The largest increase in the share of poor children was of Hispanic children in small, female-headed families, reflecting the combined operation of these factors.

Also as a result of the changes in race and ethnic composition, family type, and family size, the composition of the poor child population differs quite substantially from that of the child population in general. The poor

child population is relatively overrepresented in large families and in female-headed families. The only type of children who consistently show a smaller share of poor children than they represent in the entire child population are those in small, male-present families; this is the case for all race and ethnic groups.

F. What If There Were No Demographic Differences Among These Groups--
What Would Their Poverty Rates Have Been?

The preceding discussion has demonstrated that there are important demographic differences between Hispanics and non-Hispanics in characteristics that affect their poverty rates. What would the poverty rates of different race and ethnic groups be if they did not vary in these characteristics? This can be answered by estimating standardized poverty rates for the different groups.

Standardized poverty rates for 1983 were calculated by assuming that each group (Hispanic, non-Hispanic white, and non-Hispanic black children) had the same characteristics as the total child population, but that the actual poverty rates observed for children with certain characteristics in each group did not change. That is, the distribution of children in each group according to the characteristics was adjusted, but the poverty rates for the groups were not. The characteristics used in this analysis were family type (male-present versus female-headed), age of parents (under 30 versus 30 and over), and family size (three or fewer children versus four or more children). For example, the standardized rates were calculated assuming that the same percentage of Hispanic children live in male-present families with fathers under age 30 and three or

fewer children as are observed in the total child population. But the calculations assume that the poverty rates observed for these Hispanic children are those observed in the survey. ^{30/}

These standardized poverty rates provide a summary of the effects of the different demographic characteristics in each group on the total poverty rates observed for the group. Table 4.17 shows the standardized rates for each group. The combined effect of family type, family size, and age of parents on the poverty rate in 1983 for Hispanic children was to raise the poverty rate substantially. If Hispanic children had had the same characteristics as the total population, their poverty rate would have been 16 percent lower than the observed rate, or 31.8 rather than the actual 37.7. The effect of these demographic factors on non-Hispanic black children was even greater; their poverty rate would have been 37 percent lower than observed (28.5 rather than 45.2). The poverty rate among non-Hispanic white children would have been almost 20 percent higher than observed (16.9 rather than 14.1) if these children had the same distribution of characteristics as all children.

^{30/} To calculate the standardized rates, the percent distribution of total child population is calculated. That distribution shows what percent of all children have the different characteristics. The children are arranged in eight groups determined by the three either/or variables: family type, age of parents, and family size. For each family type (female-headed vs. male-present, four subdivisions are made: for parents less than 30, family size of three or fewer vs. 4 or more, and the same for family sizes among parents aged 30 or more). A hypothetical distribution of children in each race/ethnic group is then obtained by multiplying the total number of children in each group by the percent distribution of the characteristics for the total child population. This hypothetical distribution is then multiplied times the actual poverty rates for children in the race/ethnic group and with the specific characteristics, to provide a hypothetical number of poor children in each category. The sum of those poor children provides a hypothetical total number of poor children in each race/ethnic group. That number is divided by the actual total number of children in the group to estimate a poverty rate for the group that is standardized according to these characteristics.

These figures also show that, with the observed poverty rates, if all groups had the same distribution of these demographic characteristics, Hispanics would have a higher poverty rate than either non-Hispanic whites or non-Hispanic blacks.

The standardization process does not reduce the poverty rate for Hispanic children as sharply as it does the rate for non-Hispanic black children. The demographic factors controlled for in the standardization (family type, family size, and age of head) do not have as great an effect on the actual poverty rate among hispanics as among non-Hispanic blacks. This implies that other factors have a relatively greater effect on the Hispanic poverty rate. These factors would include parents' education, labor force participation, level of work effort, and marital status (of female heads), as well as other social and economic characteristics. None of these factors was controlled for in the standardization process.

TABLE 4.17. Comparison of Actual and Standardized a/ Poverty Rates Among Children b/ by Race and Hispanic Origin: 1983

Race and Hispanic origin	Actual poverty rate	Standardized poverty rate	Percent difference
Hispanic	37.7	31.8	-15.7%
Non-Hispanic white	14.1	16.9	+19.8%
Non-Hispanic black	45.2	28.5	-36.9%
Total	20.8	20.8	0.0

a/ Standardized for family type, family size, and age of head.

b/ Own-related children.

Note: Calculated by CRS using the March 1984 Current Population Survey.

CHAPTER 5. EARNINGS OF PARENTS OF HISPANIC CHILDREN

Chapter 4 concluded that if there were no differences among Hispanic and non-Hispanic black and white children regarding their distribution by family type, family size, and age of family head, an Hispanic child would be more likely to be poor than a non-Hispanic black child (as well as a non-Hispanic white child) (Table 4.17.) Why then are Hispanic children so prone to poverty? To explore this question, this chapter steps back to examine factors that affect parents' earnings, the principal source of family income, and, hence, the prime determinant of a child's poverty status.

Without a working parent a child is almost sure to be poor, but the jobs of many parents fail to overcome poverty. Children in Poverty found that 2.5 million children in 1982-83 were poor although they had at least one parent who worked more than 2,000 hours a year.

This chapter studies the earning patterns of Hispanic families with children and of non-Hispanic white and non-Hispanic black families with children, analyzing them by educational attainment of parents, family type, and age of parent. It examines annual hours of work by Hispanic fathers and mothers and their wages, comparing them to those of non-Hispanic parents. It compares the occupational patterns of Hispanic parents to those of non-Hispanics. Finally, the chapter discusses other factors that appear to be related to earnings of Hispanic parents, including recency of immigration and facility with the English language.

A. Market Income Poverty Rates

As noted earlier (chapter 3), more than two-fifths of the nation's Hispanic children would have been classified as "poor" in 1983 if their family had received no money other than earnings and other market income. Out of every 100 Hispanic children, 43 were in families whose earnings and other market income fell short of the poverty threshold. For non-Hispanic whites and blacks, the corresponding rates were 18 and 51 children per 100.

Throughout the period, 1975-1983, market income poverty rates for Hispanic children have been more than double those for non-Hispanic whites. Market income poverty rates for non-Hispanic black children were more than triple those of non-Hispanic white children until 1982.

TABLE 5.1. Market Income Poverty Rates a/ for All Children Under 18

	Hispanic	Non-Hispanic white	Non-Hispanic black	All children
1975	39.1	13.1	31.1	22.2
1976	36.1	13.2	48.3	20.3
1977	33.3	13.4	30.0	20.5
1978	31.7	12.9	49.4	20.0
1979	31.6	13.0	48.6	20.2
1980	37.3	13.0	48.2	22.0
1981	40.7	16.0	31.7	23.8
1982	44.9	17.6	33.1	23.6
1983	43.3	18.1	31.0	23.8
Percentage Change				
1975-1983	10.7	19.9	-0.2	16.2
1978-1983	36.6	40.3	3.2	29.0

a/ Includes income from sources such as earnings, dividends, interest, private and public pensions, alimony and child support.

NOTE: Table prepared by CRS using data derived from the March Current Population Survey, 1976-1984. Poverty rates for this table were calculated on the basis of the Census Bureau definition.

As table 5.1 shows, market income poverty rates of non-blacks rose especially sharply from 1978 to 1983: For Hispanic children, poverty rates in this period were up 36.6 percent; non-Hispanic whites, up 40.3 percent; non-Hispanic blacks, up 3.2 percent. One reason for the smaller increase in market income poverty rates among non-Hispanic black children between 1978 and 1983 is that, unlike non-blacks, a majority of black children live in mother-child families,

whose income and poverty status generally are less affected by fluctuation in the economy. For both minority groups market income poverty rates turned downward in 1983; their declines each amounted to 4 percent.

In the period, 1978-1983, the white male unemployment rate almost doubled and the non-white male unemployment rate rose by two-thirds, but the increase in female unemployment rates was much smaller. Children in Poverty found that changes in unemployment rates have affected the market income poverty rates of male-headed families, but not those of female headed families. ^{32/}

Why are market income poverty rates for children, especially those in the two minority groups, so persistently high?

B. Annual Hours Worked

Hours Worked by Fathers. Hispanic fathers, on average, worked considerably fewer hours in 1983 than non-Hispanic white fathers, but more hours than non-Hispanic black fathers. (See table 5.2.) Hispanic fathers, on average, worked 1,764 hours that year, or 13 percent fewer hours than non-Hispanic white fathers (2,025 hours), but 6 percent more hours than non-Hispanic black fathers (1,660). Part of the overall difference in annual hours worked may be explained by differences in age and education among the groups. However, as the table shows, Hispanic fathers in the same educational and age group consistently worked fewer hours than white fathers, but more hours than black fathers.

^{32/} See Children in Poverty, p. 152-155.

TABLE 5.2. Mean Annual Hours Worked by Fathers, by Father's Race/Ethnicity, Education and Age: 1983

	Total	Hispanic	Non-Hispanic white	Non-Hispanic black
Total (All ages)	1,972	1,764	2,025	1,660
Failed to complete high school <u>a/</u>	1,663	1,675	1,720	1,388
Completed high school	2,040	1,851	2,076	1,755
High school diploma only	1,930	1,785	1,975	1,630
Completed some college <u>b/</u>	2,137	1,944	2,163	1,913
Total (Under age 30)	1,820	1,655	1,885	1,519
Failed to complete H.S. school <u>a/</u>	1,660	1,659	1,712	1,488
Completed high school	1,860	1,650	1,919	1,526
High school diploma only	1,810	1,651	1,871	1,493
Completed some college <u>b/</u>	1,949	1,648	2,002	1,599
Total (Age 30 and older)	2,011	1,804	2,059	1,704
Failed to complete high school <u>a/</u>	1,663	1,681	1,722	1,369
Completed high school	2,084	1,921	2,113	1,836
High school diploma only	1,974	1,842	2,012	1,697
Completed some college <u>b/</u>	2,166	2,019	2,187	1,984

a/ Includes persons who did not start high school

b/ Includes college graduates

Note: Table prepared by Congressional Research Service (CRS) using data from the March 1984 Current Population Survey. Data are for fathers with "own children" in primary and secondary married couple families only.

Hours Worked by Mothers. In the aggregate, Hispanic single and married mothers generally work fewer hours during the year than either their white or black counterparts (Table 5.3.) The fewer hours worked by Hispanic mothers seem, at least in part, to be related to their lower levels of education. However, the table shows that married Hispanic mothers who have completed high school tend to work as many hours as all married mothers.

Size of family may help account for the fewer hours worked by Hispanic mothers. As shown earlier, Hispanic women tend to have more children, which, if all other things were equal, would tend to lower the number of their work hours.

TABLE 3.3. Mean Annual Hours Worked by Mothers, by Mother's Race/Ethnicity, Education and Marital Status: 1983

	Total	Hispanic	Non-Hispanic white	Non-Hispanic black
Total (Married mothers)	913	758	900	1,164
Failed to complete high school ^{a/}	627	539	646	680
Completed high school	971	967	939	1,286
High school diploma only	911	905	889	1,149
Completed some college ^{b/}	1,050	1,095	1,006	1,452
Total (Single mothers)	1,096	734	1,260	900
Failed to complete high school ^{a/}	581	300	749	414
Completed high school	1,306	1,136	1,401	1,130
High school diploma only	1,212	1,018	1,332	988
Completed some college ^{b/}	1,479	1,393	1,320	1,413

^{a/} Includes persons who did not start high school

^{b/} Includes college graduates

Note: Table prepared by Congressional Research Service (CRS) using data from the March 1984 Current Population Survey. Data are for mothers with "own children" in primary and secondary families only.

C. Occupation ^{33/}

Hispanic fathers and mothers are more likely to work in low skill, low wage jobs than are non-Hispanic white parents (See tables 3.4 and 3.5). The

^{33/} Occupation refers to the job that the individual held for the longest period during 1983. Data are shown only for those who worked at some time during the year.

largest proportion of Hispanic fathers (24.7 percent) worked in precision production, craft, and repair occupations in 1983, a percentage about equal to that of white non-Hispanic fathers. The proportion of Hispanic fathers who worked as machine operators, inspectors, or assemblers (15.7 percent) was double that of non-Hispanic white fathers (7.8 percent). Only about 10 percent worked in farm occupations in 1983. However, compared to white non-Hispanic fathers, Hispanic fathers were more than twice as likely to work in farm occupations. Hispanic fathers were twice as likely to work as handlers, cleaners, helpers and laborers as white non-Hispanic fathers, but less likely than black non-Hispanic fathers) to work in such jobs. Hispanic fathers were underrepresented in "white collar" occupations—managerial, administrative, and professional. Only about 6.8 percent of Hispanic fathers were in executive, administrative, and managerial occupations, compared to 15.9 percent of white non-Hispanic fathers and 9.2 percent of black non-Hispanic fathers. Similarly, only 4 percent were in professional and specialty occupations, compared to 13.7 percent of white and 6.9 percent of black non-Hispanic fathers.

More than one-fourth of mothers, whether Hispanic, non-Hispanic white, or non-Hispanic black, worked in administrative support and clerical occupations in 1983. One-sixth of Hispanic mothers and non-Hispanic white mothers worked in service occupations (except household and protective). For blacks, the percentage in this group exceeded 30 percent.

Another one-sixth of Hispanic mothers worked as machine operators, assemblers, inspectors; and one-tenth, in sales occupations. Hispanic mothers were only half as likely as all mothers to work in professional specialty occupations, or as technicians and in related support occupations.

Table 3.4. Distribution of Occupations ^{a/} by Fathers in Married Couples ^{b/} Who Worked in 1983

	Father's Race-Ethnicity			
	Total	Hispanic (Total)	Non-Hispanic white	Non-Hispanic black
Total	100.0	100.0	100.0	100.0
Executive, administrative, and managerial occupation	14.8	6.8	13.9	9.2
Professional specialty occupations	12.7	4.0	13.7	6.9
Technicians and related support occupations	2.7	1.4	3.7	3.6
Sales occupations	10.3	5.2	11.2	4.9
Administrative support occupations, including clerical	4.5	3.3	4.1	8.4
Private household service occupations	.0	.2	.0	.0
Protective service occupations	2.4	1.8	3.7	3.4
Service occupations, except household and protective	3.7	9.2	3.7	8.8
Farming, forestry, and fishing occupations	4.7	10.3	4.3	4.2
Precision production, craft, and repair occupations	23.0	34.7	23.4	13.8
Machine operator, assemblers, and inspectors	8.7	13.7	7.8	12.4
Transportation and material moving occupations	7.4	8.3	7.3	12.8
Handlers, equipment cleaners, helpers and laborers	4.4	6.8	3.7	10.2
Armed forces, currently civilian	.2	.2	.0	.0

^{a/} Occupation of longest held job during the year.^{b/} Primary and secondary families only.Source: March 1984 Current Population Survey (CPS). Table prepared by
CBS.

Table 3.5. Distribution of Occupations a/ of Mothers b/
Who Worked in 1983

	Mother's Race--Ethnicity			
	Total	Hispanic (Total)	Non-Hispanic White	Non-Hispanic Black
Total	100.0	100.0	100.0	100.0
Executive, administrative, and managerial occupation	7.5	3.8	8.1	4.9
Professional specialty occupations	13.6	7.3	16.6	13.0
Technicians and related support occupations	3.3	2.4	3.3	3.0
Sales occupations	11.7	9.9	12.6	6.3
Administrative support occupations, including clerical	28.4	25.8	29.0	27.4
Private household service occupations	1.5	2.6	1.2	3.1
Protective service occupations	.4	.3	.3	.3
Service occupations, except household and protective	16.8	17.9	15.9	23.1
Farming, forestry, and fishing occupations	1.6	5.3	1.4	1.0
Precision production, craft, and repair occupations	2.4	3.4	2.2	2.6
Machine operator, assemblers, and inspectors	8.1	17.4	6.6	11.8
Transportation and material moving occupations	1.1	.9	1.1	1.1
Handlers, equipment cleaners, helpers and laborers	1.5	2.8	1.4	1.9
Armed forces, currently civilian	.1	.0	.0	.2

a/ Occupation of longest held job during the year.

b/ Primary and secondary families only.

Source: March 1984 Current Population Survey (CPS). Table prepared by
CRS.

D. HOURLY EARNINGS

Hourly Earnings of Fathers. Overall, hourly earnings of Hispanic fathers averaged \$8.66, 26 percent below hourly earnings of non-Hispanic white fathers and 2 percent below those of non-Hispanic black fathers (table 5.6). As noted in earlier sections, Hispanic fathers tend to be younger, and to have fewer years of education than either non-Hispanic black or white fathers. Hispanic fathers in the same age and educational group earned more per hour than non-Hispanic black fathers, but less than non-Hispanic white fathers.

TABLE 5.6. Mean Hourly Earnings of Fathers in Married Couple Families, by Father's Race/Ethnicity, Education and Age: 1983

	Total	Hispanic	Non-Hispanic white	Non-Hispanic black
Total (All ages)	\$11.24	\$8.66	\$11.65	\$8.85
Failed to complete high school <u>a/</u>	8.11	7.13	8.57	7.16
Completed high school	11.87	10.14	12.13	9.38
High school diploma only	9.94	8.84	10.19	8.09
Completed some college <u>b/</u>	13.53	11.97	13.75	10.92
Total (Under age 30)	\$8.34	\$6.94	\$8.65	\$7.23
Failed to complete high school <u>a/</u>	6.46	6.24	6.63	5.82
Completed high school	8.80	7.75	9.03	7.53
High school diploma only	8.11	7.42	8.32	6.81
Completed some college <u>b/</u>	10.02	8.44	10.26	9.03
Total (Age 30 and older)	\$11.96	\$9.30	\$12.37	\$9.33
Failed to complete high school <u>a/</u>	8.61	7.51	9.14	7.42
Completed high school	12.60	10.94	12.84	10.00
High school diploma only	10.60	9.43	10.85	8.66
Completed some college <u>b/</u>	14.05	12.79	14.25	11.33

a/ Includes persons who did not start high school.

b/ Includes college graduates

Note: Table prepared by Congressional Research Service (CRS) using data from the March 1984 Current Population Survey. Includes only fathers with earnings. Fathers with negative and zero earnings are excluded.

E. Annual Earnings

Annual Earnings of Fathers. Annual earnings of Hispanic fathers, overall, tend to be about one-third smaller than those of non-Hispanic white fathers, but about the same as those of black non-Hispanic fathers. Hispanic fathers earned \$15,379, on average, during 1983, compared to \$23,653 for non-Hispanic white fathers, and \$15,218 for non-Hispanic black fathers (table 3.7). However, Hispanic fathers 30 years of age and older earned substantially more during the year than black fathers in the same educational group. For example, Hispanic fathers age 30 and older who failed to complete high school on average earned 25 percent more during 1983 than black fathers, \$12,436 compared to \$9,398, but 19 percent less than comparable white fathers (\$15,273). Among high school graduates with no post high school education, Hispanic fathers earned 18 percent more than black fathers, but 17 percent less than white fathers.

One reason why Hispanic fathers' earnings are so low, overall, is that half of the Hispanics have not completed high school. In all, as was shown in table 4.10 (chapter 4), 53.3 percent of the Hispanic children, compared with 27 percent of non-Hispanic black children and 14.3 percent of non-Hispanic white children, had fathers who had not completed high school (including those who did not even enter high school). Nearly half (49 percent) of all Hispanic fathers age 30 and older and 51 percent under the age of 30 had not completed high school, compared with 28 and 17 percent respectively, among non-Hispanic black fathers and 14 and 16 percent, respectively, among non-Hispanic white fathers.

TABLE 5.7. Mean Annual Earnings of Fathers in Married Couple Families, by Father's Race/Ethnicity, Education and Age: 1983

	Total	Hispanic	Non-Hispanic white	Non-Hispanic black
Total (All ages)	\$22,349	\$15,379	\$23,653	\$15,218
Failed to complete high school <u>a/</u>	13,130	11,692	14,378	9,250
Completed high school	24,367	18,978	25,218	17,284
High school diploma only	19,294	16,322	20,085	14,147
Completed some college <u>b/</u>	28,859	22,719	29,613	21,300
Total (Under age 30)	\$15,681	\$11,617	\$16,663	\$12,483
Failed to complete high school <u>a/</u>	10,503	9,794	11,212	8,445
Completed high school	16,968	13,558	17,723	13,313
High school diploma only	15,357	12,826	16,048	12,126
Completed some college <u>b/</u>	19,853	15,099	20,649	15,976
TOTAL (Age 30 and older)	\$24,039	\$16,770	\$25,349	\$16,058
Failed to complete high school <u>a/</u>	13,889	12,436	15,273	9,398
Completed high school	26,187	20,866	26,988	18,695
High school diploma only	20,748	17,816	21,529	15,111
Completed some college <u>b/</u>	30,245	24,632	30,944	22,502

a/ Includes persons who did not complete high school.

b/ Include college graduates.

Note: Table prepared by Congressional Research Service using data from the March 1984 Current Population Survey. Includes all fathers. Negative earnings are treated as zero earnings.

Annual Earnings of Mothers. Hispanic mothers earned less than white or black mothers in 1983 (table 5.8). Among married mothers, Hispanic mothers' average earnings were \$4,440 in 1983, 25 percent less than non-Hispanic white mothers (\$5,939) and 45 percent less than non-Hispanic black mothers (\$8,099). Among married mothers in the same educational group, non-Hispanic black mothers earned the most. This was a result of their working a greater number of hours during the year, not of the level of their hourly earnings. Hispanic mothers

earned the least, largely because of working fewer hours. Their fewer hours of work and lower earnings may reflect their likelihood to be somewhat younger, have more children, and be less educated, than non-Hispanic black or white mothers. In addition, Hispanic married mothers may work less and earn less than non-Hispanic black married mothers in part because Hispanic husbands on average earn more per year than black husbands.

TABLE 3.8. Mean Annual Earnings of Mothers, by Mother's Race/Ethnicity, Marital Status, and Education: 1983

	Total	Hispanic	Non-Hispanic white	Non-Hispanic black
Married (Total)	\$6,036	\$4,440	\$5,939	\$8,099
Failed to complete high school <u>a/</u>	2,898	2,548	2,946	3,412
Completed high school	6,669	6,248	6,404	9,287
High school diploma only	5,214	5,372	5,051	6,987
Completed some college <u>b/</u>	8,603	8,078	8,209	12,070
Single (Total)	\$7,114	\$4,237	\$8,398	\$5,578
Failed to complete high school <u>a/</u>	2,849	2,519	3,851	1,789
Completed high school	8,852	7,188	9,646	7,370
High school diploma only	7,431	5,572	8,311	5,937
Completed some college <u>b/</u>	11,443	10,708	11,971	10,230

a/ Includes persons who did not complete high school.

b/ Includes college graduates.

Note: Table prepared by Congressional Research using data from the March 1984 Current Population Survey. Negative earnings are treated as zero earnings.

Hispanic single mothers also earn less on average than their white and black unmarried counterparts. In 1983, single Hispanic mothers earned \$4,237, on average, 24 percent less than non-Hispanic black single mothers (\$5,578) and 50 percent less than non-Hispanic white single mothers (\$8,398). Among single mothers, non-Hispanic whites earned the most in each educational group,

contrasting with the situation for married mothers. With the exception of Hispanic single mothers who did not finish high school, Hispanic mothers earned about the same sum yearly as non-Hispanic black mothers.

One reason why earnings of Hispanic single mothers are so low overall is that more than two-thirds of them have not completed high school. As was shown in table 4.10 (chapter 4), 67.1 percent of Hispanic children in female-headed families in 1983 had mothers who had not completed high school, compared with 37.7 percent of children of non-Hispanic single black mothers and 23.4 percent of children of non-Hispanic single white mothers (data include those who did not start high school).

F. Work and Poverty Rates

Married Couples. As seen earlier (table 5.2), Hispanic fathers in married-couple families worked more hours during the year than non-Hispanic black fathers, but fewer hours than non-Hispanic white fathers. However, Hispanic mothers in married-couple families tend to work fewer hours than their non-Hispanic white or black counterparts (table 5.3). How do the combined hours worked by parents relate to the poverty of their children?

In 1983, 71.3 percent of the fathers in married-couple families worked more than 2,000 hours (full-time, year-round work). Among Hispanics, the percentage of full-time working fathers was 60.5, 15 percent below the overall average; among non-Hispanic blacks, it was 60.2; among non-Hispanic whites it was 73.5, 3 percent above the overall average (table 5.9). The 1983 poverty rate among Hispanic children whose father worked full time all year was 14.9 percent, triple the rate of 5.1 percent among corresponding non-Hispanic white children and 45 percent above the rate of 10.3 percent among similar non-Hispanic black children. (See table 5.10)

Poverty rates of Hispanic children whose father worked full time ranged from 1.7 percent (in cases where the mother also worked more than 2,000 hours) to 24 percent, where the mother did not work at all. For non-Hispanic black children of full-time working fathers, the corresponding range of poverty rates was from 0.2 percent to 22.7 percent; for non-Hispanic white children, the range was from 2 percent to 7.8 percent.

As seen earlier, Hispanic fathers worked slightly more hours during 1983 on average, than non-Hispanic black fathers. Why, then, is the incidence of poverty among Hispanic children in married-couple families higher than that of black children? Part of the reason may be the fewer hours worked by mothers in Hispanic married-couple families; 47.4 percent of such Hispanic wives did not work during 1983, compared to 28.4 percent of non-Hispanic blacks and 34.2 percent of non-Hispanic whites.

TABLE 5.9. Percentage of Married-Couple Families With Children by Number of Hours Worked by Parents, 1983

	Total	Hispanic	Non-Hispanic white	Non-Hispanic black
Married-couple families:	100.0	100.0	100.0	100.0
Father worked over 2000 hours	71.3	60.5	73.5	60.2
and:				
Mother worked over 2000 hours	17.3	13.1	16.9	23.3
Mother worked 1001-2000 hours	14.7	9.7	15.3	13.8
Mother worked 1-1000 hours	15.2	9.0	16.6	8.6
Mother did not work	24.0	28.7	24.7	14.5
Father worked 1001-2000 hours	16.0	21.6	15.4	17.6
Father worked 1-1000 hours	6.0	9.6	5.4	8.6
Father did not work	6.7	8.3	5.7	13.6
Mother did not work (all married-couple families)	34.8	47.4	34.2	28.4

Note: Table prepared by Congressional Research Service using data from the March 1984 Current Population Survey. Primary and secondary families only.

TABLE 5.10. Poverty Rates of Children in Married-Couple Families by Number of Hours Parents Worked, 1983

	Total	Hispanic	Non-Hispanic white	Non-Hispanic black
Married couple families:	12.7	26.5	9.9	21.7
Father worked over 2000 hours	6.3	14.9	5.1	10.3
and:				
Mother worked over 2000 hours	1.9	1.7	2.0	0.2
Mother worked 1001-2000 hours	4.1	5.5	3.7	7.7
Mother worked 1-1000 hours	5.5	10.2	4.8	14.0
Mother did not work	10.4	24.0	7.8	22.7
Father worked 1001-2000 hours	15.5	33.1	12.0	22.6
Father worked 1-1000 hours	43.0	56.3	38.4	54.3
Father did not work	44.2	56.4	38.4	47.3
Mother did not work (all married-couple families)	21.7	38.2	16.1	45.6

Note: Table prepared by Congressional Research Service using data from the March 1984 Current Population Survey. For children in primary and secondary families only. This table and table 5.9 are to be read together. Table 5.9 shows what percentage of parents worked how many hours; this table shows the poverty rates of children in the corresponding category of parent workers. Thus, table 5.9 shows that 21.6 percent of Hispanic fathers worked 1001-2000 hours, (seventh line of table), and this table shows that one-third (33.1 percent) of their children were poor (also the seventh line).

Single Mothers. As seen earlier (table 5.3), Hispanic mothers raising children alone worked fewer hours overall in 1983 than single non-Hispanic mothers. Their lesser work is reflected in lower earnings and higher poverty rates for their children.

In 1983, 32.9 percent of all single mothers worked more than 2,000 hours (full-time, year-round work). Among Hispanic and non-Hispanic black single mothers the proportion who worked full time all year was below the overall average, at 21.1 and 27 percent, respectively. The fraction of non-Hispanic single white mothers who worked full time was above average, at 37.9 (table 5.11).

More than three-fourths of the non-Hispanic white single mothers and nearly 60 percent of non-Hispanic black single mothers worked at some time during the year. In contrast, 32.7 percent of Hispanic single mothers did not work at all in 1983.

The incidence of poverty among children of full-time working mothers varied sharply by race and ethnicity: among Hispanics, 17.1 children per 100 were poor; non-Hispanic blacks, 19.1; and non-Hispanic whites, 6.5 (table 5.12). These variations may reflect differences in access to other cash income, as well as differences in earnings. 34/

In those mother-child families where the mother did not work, poverty rates averaged above 90 percent.

34/ For example, *Children in Poverty* (p. 134) found that child support and alimony accounted for 12.5 percent of the 1982-83 income of families headed by divorced or separated mothers who were white, but for only 4.5 percent of the smaller income of corresponding families headed by black mothers.

TABLE 5.11. Percentage of Single Female-Headed Families With Children a/ by Number of Hours Worked by Mothers, 1983

	Total	Hispanic	Non-Hispanic white	Non-Hispanic black
Female-headed families:	100.0	100.0	100.0	100.0
Mother worked Over 2000 hours	32.9	21.1	37.9	27.0
Mother worked 1001-2000 hours	19.1	14.4	21.6	15.8
Mother worked 1-1000 hours	16.2	11.8	17.1	15.6
Mother did not work	31.9	52.7	23.4	41.5

NOTE: Table prepared by Congressional Research Service using data from the March 1984 Current Population Survey.

a/ For primary and secondary families with "own related" children only.

TABLE 5.12. Poverty Rates of Children in Single Female-Headed Families With Children a/ by Number of Hours Worked by Mothers, 1983

	Total	Hispanic	Non-Hispanic white	Non-Hispanic black
Female-headed families:	55.4	74.0	42.1	70.5
Mother worked Over 2000 hours	10.7	17.1	6.5	19.1
Mother worked 1001-2000 hours	36.1	47.1	29.8	47.8
Mother worked 1-1000 hours	75.4	84.1	66.9	89.9
Mother did not work	90.8	95.1	82.9	96.0

NOTE: Table prepared by Congressional Research Service using data from the March 1984 Current Population Survey.

a/ For "own related" children in primary and secondary families only.

Children of Full-Time Working Poor. In 1983, 2,458,000 children were poor despite year-round full-time work of at least one parent (table 5.13). These 2.5 million children of the full-time working poor represented more than one-fifth of those poor children who lived in families as "own related children" (and more than one-sixth of the total number of poor children). In all, almost

Table 5.13. Poor Children a/ in 1983 Who Had at Least One Parent Who Worked More than 2,000 Hours (own related children)

	Poor Children of Full-Time Workers					
	In all families <u>b/</u>		In female-headed families		In married-couple families	
	Number (thousands)	As percent of all poor children	Number (thousands)	As percent of poor children in group	Number (thousands)	As percent of poor children in group
Hispanic	386	21.1%	33	4.1%	353	34.7%
Non-Hispanic black	390	12.6	144	6.2	246	31.6
Non-Hispanic white	1,569	26.8	122	5.4	1,447	40.1
Total <u>c/</u>	2,458	21.8%	309	5.6%	2,149	37.3%

a/ "Own related" children in primary and secondary families only.

b/ All married-couple and female-headed families.

c/ Includes other non-Hispanics.

NOTE: Table prepared by the Congressional Research Service using data from the March 1984 Current Population Survey.

6 percent of own related poor children in female-headed families (309,000) and 37 percent of such poor children in married-couple families (2,149,000) had a parent (or parents) who worked more than 2,000 hours in 1983.

The share of poor children within each group with a full-time working parent was largest for non-Hispanic whites, smallest for non-Hispanic blacks and about average for Hispanics. More than one-fourth of the poor non-Hispanic white children, one-eighth of the poor non-Hispanic black children, and more than one-fifth of the poor Hispanic children were in families with at least one parent who worked full time all year. Almost two-thirds of the children of the full-time working poor were non-Hispanic whites, and the rest were evenly divided between non-Hispanic blacks and Hispanics.

To overcome the poverty of the children of the full-time working poor would require another earner, higher earnings for current worker(s) or cash supplements to existing full-time earnings. For some, noncash benefits such as food stamps and Medicaid relieve some of the pressure caused by too little money.

G. Hispanic Immigration and Children's Poverty

One important way in which Hispanics, as a group, differ from non-Hispanics is their relatively recent immigration. In 1979, roughly one out of three Hispanics was an "immigrant" or first generation member. ^{35/} Another third of

^{35/} The term "immigrants" used throughout this section refers not to the legal term, but to persons who were born outside the U.S. to foreign-born parents, sometimes referred to as the "first generation." Included in this category are all first generation people, including undocumented aliens as well as persons born in Puerto Rico, a U.S. territory, who are U.S. citizens by birth, and like all citizens, are accorded free travel within the U.S. See Appendix A for a further discussion of parentage and its relation to ethnic origin.

the Hispanics belonged to the second generation, being native born but of foreign born parents. The final third, being of third and succeeding generations, were native born of native born parents, ^{36/} and many of those in the West preceded non-Hispanic settlers by many generations.

Recently-arrived Hispanics, like persons of other ethnic backgrounds, have come to the United States for a variety of reasons. Some have come seeking economic opportunity, or to be united with relatives who immigrated previously; others fled their homelands due to adverse political or economic circumstances. Because so many Hispanics are immigrants, or only a generation or two removed from the immigration of their forebears, factors relating to the immigration process have a bearing on the economic status of Hispanic families. This section discusses how characteristics of the Hispanic population in the U.S., such as age, education, and language skills, are related to the immigration process and the earnings of parents.

1. Age

The lower earnings of Hispanics overall, are in part due to their being younger than the non-Hispanic population. ^{37/} Persons who migrate for economic reasons often tend to be younger adults, having weaker ties to the labor market in their originating country than older adults and, as a result, having potentially more to gain from migrating. In part, the Hispanic population in the

^{36/} U.S. Library of Congress. Congressional Research Service. English Language Usage by the Hispanic Population in the United States. Typed report by Sharon Masans and Tom Cate, December 7, 1981. Washington, 1981.

^{37/} Hispanic parents tend to be younger than non-Hispanic parents. This fact does not contradict the finding that Hispanic children tend to have older parents (see Chapter 4). This is because Hispanic families are larger, and the number of children living in these large families with older parents is disproportionately large. Nevertheless, when all parents are examined as a group, Hispanic parents tend to be younger.

U.S. is young because of this tendency; it is also young because the countries from which Hispanics come have young populations. For example, about 45 percent of Mexico's population is less than 15 years of age, almost double the 23 percent in the U.S. population. ^{38/} The most recent data show, for example, that 40 percent of all legal migrants from Mexico were between ages 20 and 29, and that another 33 percent were under 20 years of age. ^{39/} In comparison, only about 18 percent of the U.S. population was between the ages of 20 and 29, and 22 percent were under age 20. ^{40/} Others have found that both apprehended and unapprehended undocumented Mexican workers (discussed in greater detail below) also tend to be relatively young. ^{41/}

2. Motivation

Immigrants may differ from the nonimmigrant population in the host country and the population of their homeland in a number of ways. Although difficult to prove, some have suggested that emigrants may be more highly motivated than their non-emigrant counterparts and perhaps more highly motivated than native born in the host country. ^{42/} One might expect that more highly motivated

^{38/} World Almanac, p. 544 and U.S. Bureau of the Census Statistical Abstract, p. 33.

^{39/} U.S. Department of Justice. Immigration and Naturalization Service. 1983 Statistical Yearbook of the Immigration and Naturalization Service. p. 60.

^{40/} U.S. Bureau of the Census. Statistical Abstract of the United States, p. 33.

^{41/} Houston, Marion F. Aliens in Irregular Status in the United States: A Review of Their Numbers, Characteristics, and Role in the U.S. Labor Market. International Migration. v. 21, no. 3, 1983: 372-414.

^{42/} See for example: Carlino, Geoffrey. Wages, Earnings and Hours of First, Second, and Third Generation American Males. Economic Inquiry, vol. 18, no. 1 (1980). pp. 87-102, and Barry Chiswick. The Effect of Americanization on the Earnings of Foreign-born Men. Journal of Political Economy. Vol. 86, no. 5 (1978). pp. 897-921. and Barry Chiswick. Sons of Immigrants: Are They at an Earnings Disadvantage? American Economic Review. Vol. 67, No. 1 (1977). pp. 376-380.

persons would have higher earnings than less motivated persons. However, immigrants may be affected by a variety of other factors that may offset gains that might be attributable to higher motivation.

3. Language Skills

English language facility is clearly related to the process of immigration and assimilation. First-generation people are much less likely to speak and write English than are second and third and succeeding generations. For example, in 1979, 93 percent of first-generation Hispanics over the age of 5 spoke some language other than English (presumably Spanish) in the home, and of these, 54 percent were reported to speak English with difficulty or not at all. In comparison, 74 percent of second-generation Hispanics spoke Spanish in the home, and 46 percent of third and succeeding generation Hispanics, but among these, only 16 percent and 5 percent, respectively, were reported to have difficulty in speaking English. ^{43/}

Language skills may be an important factor in accounting for the lower earnings of Hispanics relative to non-Hispanics. Spoken and written English language skills are needed for many jobs. "We believe that all Americans must become proficient in the English language in order to work and live in the modern world," said the Committee for Economic Development in 1985. ^{44/} The National Commission for Employment Policy (NCEP), considers "a lack of English (as) the major source of the labor market difficulties of all subgroups

^{43/} Sharon Masanz and Tom Gabe, op. cit.

^{44/} Committee for Economic Development. Investing in our children: business and public schools. p. 21.

(of Hispanics)."^{45/} Some have attributed almost all of the difference between Hispanics' and non-Hispanics' wages to differences in language skills.^{46/}

4. Education

Earlier we saw that the parents of most Hispanic children have less than a high school education. (Table 4.10). The NCEP cites low level of education among Hispanics as the second major reason for their poor labor market experience.^{47/}

The low levels of education among many Hispanics immigrants may be due to the low educational levels in their countries of origin. For example, in 1982, only 54 percent of the secondary-school-age population of Mexico was enrolled in secondary school, compared to 96 percent of the U.S. population.^{48/} Educational differences between the U.S. population and Puerto Rican island population are also apparent. Overall, only 39.6 percent of Puerto Ricans 25 years old and over, living on the island, have completed high school, compared to 66.5 percent of the U.S. population.^{49/}

Second- and succeeding generation Hispanics, born in the United States, also may not be as likely to have completed high school as non-Hispanics.

^{45/} National Commission for Employment Policy. Hispanics and Jobs: Barriers to Progress. Report No. 14, September 1982, p. 2.

^{46/} McManus, Walter, William Gould, and Finis Welch. Earnings of Hispanic Men: The Role of English Language Proficiency. Undated Mimeo.

^{47/} NCEP., op. cit., p. 2.

^{48/} U.S. Library of Congress. Congressional Research Service. Selected Educational Expenditure and Participation Statistics for the United States and certain Foreign Nations, by Wayne Riddle. Washington, 1985. p. 4.

^{49/} U.S. Bureau of the Census. General Social and Economic Characteristics: Puerto Rico. February 1984, PC80-1-C53A. p 22.

Family background is often thought to affect an individual's level of educational attainment; parents' education and income are thought to be among the more important characteristics of family background. 50/ Second-generation Hispanics of foreign-born parents, who often received little education in their home country, may not attain the same levels of education as non-Hispanics, or Hispanics in the third- and succeeding generations, despite the often-held belief that children of immigrants may be more highly motivated, given the presumed higher motivation of their parents in seeking opportunities abroad. Second generation Hispanics, however, are likely to attain higher levels of education than their parents. 51/

Poor English language facility, more likely among earlier than later generations, may also put some Hispanics at a disadvantage when it comes to attaining education. In 1978, about one-fourth of Hispanics in primary and secondary school "spoke little or no English". Some suggest that, among other factors, their poor facility with English impedes promotion of some Hispanic pupils to the next grade; having to repeat a grade, in turn, often leads to higher high school drop out rates. In 1981, 36 percent of Hispanics between the ages of 18 and 19 were high school dropouts (i.e., not enrolled in school and without a high school diploma), compared to 19 percent of blacks and 16 percent of whites. 52/

50/ For a discussion and review of some of the literature relating to Hispanic educational attainment, see: Fligstein, Neil and Roberto M. Fernandez. *Educational Transitions of Whites and Mexican-Americans. Hispanics in the U.S. Economy.* Borjas, George J., and Marta Tienda (ed). Academic Press, Inc. Orlando Florida. 1985.

51/ Davis, et al., p. 29.

52/ Ibid.

3. Legal Status

The legal status of immigrants also may affect their economic status. Some suggest that undocumented aliens, who are subject to deportation, are likely to be passive and to receive fewer protections than other workers in the economy. One survey found that while most undocumented workers work in relatively low-skill, low-wage jobs, a majority receive wages in excess of the legal minimum; however, a sizable minority (less than one-fourth) receive wages below the legal minimum. ^{53/} Another survey (Immigration and Naturalization Service) found that in 1980 close to 40 percent of apprehended illegal aliens had hourly wages below the legal minimum; by 1982, the percentage had dropped to around 10 percent. ^{54/} Some of the drop in the share receiving sub-minimum wages was attributed to the lack of an increase in the minimum wage from 1980 to 1982, a period when prices rose rapidly and general wages rose less so. By most accounts, undocumented workers earn less than comparable U.S. workers.

There are no reliable estimates of the size of the illegal or undocumented alien population, or the portion made up by Hispanics, nor do we know to what degree they show up in surveys such as the Current Population Survey and thereby affect statistics among Hispanics as a group. Estimates of the total undocumented alien population of all backgrounds have ranged from between 2 and 12 million. While the Census Bureau has not released official estimates of the undocumented alien population, Census Bureau demographers cautiously speculated in 1980: "The total number of illegal residents in the United States . . . is almost certainly below 6.0 million, and may be substantially less, possibly

^{53/} Houstoun, Marion F., op.cit., p. 389.

^{54/} Ibid., p. 389-390.

3.5 to 5.0 million. The Mexican component of the illegally resident population is almost certainly less than 3.0 million, and may be substantially less, possibly only 1.5 to 2.5 million. ^{55/} A more recent (1983) Census Bureau study estimates that 2 million undocumented aliens were included in the 1980 Census count, and that of these, approximately 1.3 million, or about two-thirds, were from Latin America, including an estimated 931,000 Mexicans. ^{56/} This Census Bureau estimate of 1.3 million Hispanic undocumented aliens equals about 10 percent of the total Hispanic population counted in the 1980 Census. Because of the major efforts taken by the Census Bureau to count the undocumented population, experts doubt that the number missed could be greater than the number counted. ^{57/}

^{55/} Houstoun, op. cit., p. 384. Citing: Siegel, Jacob S., Jeffrey S. Passel, and J. Gregory Robinson. Preliminary Review of Existing Studies of the Number of Illegal Residents in the United States. January 30, 1980.

^{56/} Davis, Cary, Carl Haub and JoAnne Willette, op. cit., p. 27. Citing: Robert Warren and Jeffrey Passel, Estimates of Illegal Aliens from Mexico Counted in the 1980 United States Census, paper presented at the Population Association of America, Pittsburgh, April 1983.

^{57/} Ibid., p. 27.

CHAPTER 6. GOVERNMENT TRANSFER PAYMENTS FOR HISPANIC CHILDREN

To what extent do governmental cash payments help Hispanic children whose families' market income is below the poverty threshold?

The Government makes two basic kinds of cash payments that directly affect the incidence and severity of measured poverty among families with children: social insurance benefits (primarily social security and unemployment insurance) and welfare aid (primarily Aid to Families with Dependent Children (AFDC)). ^{58/}

Social insurance programs provide work-related benefits to families (and survivors) of retired, disabled, or dead workers with a sufficient history of earnings. No income test applies to them. To receive social insurance benefits, a child must have a parent who earned coverage through work before becoming unemployed or disabled or before retiring or dying.

To receive cash aid from AFDC, a needy child ^{59/} must be in a one-parent family, unless the second parent is disabled, unemployed or "underemployed" (that is, unless he works fewer than 100 hours a month). In the latter case the jobless parent must be the principal earner and must have worked a specified

^{58/} Since 1975, the Federal Government also has made direct cash payments through the income tax system to some working parents with relatively low earnings and dependent children. The Earned Income Tax Credit (EITC) in 1984 provided \$1.7 billion to some 6.1 million families whose adjusted gross income (and earnings) were below \$10,000 in 1983. Of the total credit, \$1.2 billion represented Treasury payments in excess of tax liability and \$0.5 billion offset tax liability. It is not known to what extent the direct Treasury "refund" checks are reported in the March Current Population Surveys. Further, official poverty data take account only of pre-tax income.

^{59/} States define "need" in AFDC, and none links its need standards or maximum benefits to the poverty threshold. See *Children in Poverty*, p. 189 ff.

minimum time in the past. Further, the family must live in one of the 25 jurisdictions that offer AFDC to Unemployed Parents (AFDC-UP). ^{60/}

This chapter examines the extent to which poor Hispanic children (and their families) were aided in each year from 1975-1983 by social insurance and cash welfare payments. It presents aggregate spending and per capita spending in constant value dollars and calculates the impact upon Hispanic child poverty rates of social insurance benefits and cash welfare payments in turn. The chapter also presents some data on the proportion of beneficiaries of AFDC, food stamps, and subsidized housing who are Hispanic.

A. Size of Transfers

Social Insurance. In constant 1983 dollars, aggregate social insurance benefits to poor Hispanic children (primarily social security and unemployment insurance benefits) increased from \$382 million in 1975 to \$389 million in 1983 (table 6.1). (Excluded from the table are payments to parents, and to children and parents in families whose annual market income exceeded poverty thresholds.) The rise in aggregate benefits from 1975-1983 was two percent. But over the period the number of pre-transfer poor Hispanic children increased by 522,000, or by 27 percent. Available per capita benefits fell from \$199 in 1975 to \$159 in 1983, a drop of 20 percent. During the same years, per capita social

^{60/} In 1979, slightly more than half the Hispanic poor children lived in four States with AFDC-UP (California, New York, New Jersey, and Illinois); but Texas, the State with the second largest population of Hispanic poor children, did not offer the program. None of these five States offered dependents' allowances in unemployment insurance.

insurance benefits available for the total population of children poor without them declined at about the same rate, from \$326 to \$258, 61/ a drop of 21 percent.

TABLE 6.1. Social Insurance Payments for Hispanic Children in Market Income Poverty, 1975-1983

	Aggregate social insurance benefits to children (millions of 1983 dollars)	Number of children poor before transfers (thousands)	Social insurance benefits available per child (1983 dollars)
1983	\$389	2,446	\$159
1982	435	2,484	175
1981	378	2,187	173
1980	347	1,980	175
1979	313	1,728	181
1978	281	1,590	177
1977	314	1,685	186
1976	352	1,720	205
1975	<u>382</u>	<u>1,924</u>	<u>199</u>
Percentage change 1975-1983	+2%	+27%	-20%

Source: Estimates derived from the March Current Population Survey, 1976-1984. Column 1 represents children's pro rata share of reported family benefits.

Cash Welfare Benefits. In constant 1983 dollars, aggregate cash welfare benefits to pre-welfare poor Hispanic children from Federal, State, and local funds declined from \$1.114 billion in 1975 to \$1.068 billion in 1983. (See table 6.2). (Excluded from the table are the parents' share of such benefits

61/ Data from Children in Poverty. Table 6.1, p. 180.

and sums paid to children and parents in families whose annual cash income minus welfare benefits exceeded the poverty threshold.)

The drop in aggregate welfare cash payments amounted to four percent. But the number of Hispanic children poor before welfare climbed 26 percent, from 1.8 million in 1975 to 2.3 million in 1983. Per capita available amounts fell from \$623 in 1975 to \$472, a drop of 24 percent.

In the same years, per capita cash welfare benefits available for the total population of children poor without them declined at a lesser rate, from \$535 in 1975 to \$452 in 1983, 62/ a drop of 16 percent. Throughout these years available per capita cash welfare benefits per Hispanic child in pre-welfare poverty exceeded those of total children, but the difference narrowed because of the sharper drop in benefits available per Hispanic child.

62/ Data from Children in Poverty. Table 6.2, p. 181.

TABLE 6.2. Cash Welfare Benefits for Hispanic Children Poor Before Welfare, 1975-1983

Year	Aggregate cash welfare benefits to children (millions of 1983 dollars)	Number of children poor before welfare (thousands)	Cash welfare benefits available per child (1983 dollars)
1983	\$1,068	2,261	\$472
1982	1,064	2,291	464
1981	1,040	2,039	310
1980	1,040	1,853	361
1979	923	1,619	370
1978	1,006	1,484	678
1977	1,131	1,553	728
1976	1,139	1,375	723
1975	1,114	1,789	623
Percentage change 1975-1983	-4%	+26%	-24%

Source: Estimates derived from the March Current Population Survey, 1975-1984. Column 1 represents children's pro rata share of reported family benefits.

B. Impact of Transfers on Poverty Rates

From 1975 to 1983 the proportion of all Hispanic children in families whose market income was below their poverty threshold climbed 10.7 percent. The share of children who were poor after social insurance rose slightly less, 9.9 percent, indicating that social insurance payments had a somewhat larger impact in 1983 than in 1975 on incidence of poverty. The share of Hispanic children poor after all transfers however, increased by 14.7 percent. The disproportionate

rise in final money income poverty rates reflects a much smaller impact of cash welfare transfers upon poverty rates in 1983 than in 1975. Table 6.3 presents the market income, pre-welfare, and post-transfer money income poverty rates for Hispanic children from 1975 to 1983. It shows that cash welfare transfers decreased the poverty rate ^{63/} by 8.3 percent in 1975 (from a pre-welfare rate of 36.4 to a post-transfer rate of 33.3) but only by four percent in 1983 (from a pre-welfare rate of 40 to a post-transfer rate of 38.2).

^{63/} Pre- and post-transfer measurements of the incidence of poverty somewhat overstate the reduction in poverty rates that can be attributed to the transfer payment. If there had been no transfer payment, the pre-transfer poverty rate itself would have been somewhat smaller because of greater work effort by some persons. See *Children in Poverty*, p. 157-158, for a discussion of this issue.

TABLE 6.3. Poverty Rates for all Hispanic Children Under 18
by Source of Income, 1973-1983

Year	Market income poverty rate <u>a/</u>	Pre-welfare poverty rate <u>b/</u>	Post-transfer poverty rate <u>c/</u> (official measure)
1983	43.3	40.0	38.2
1982	44.9	41.4	39.4
1981	40.7	38.0	33.8
1980	37.5	33.1	31.3
1979	31.6	29.6	27.7
1978	31.7	29.6	27.6
1977	33.5	30.9	28.3
1976	36.1	33.0	30.2
1975	39.1	36.4	33.3
Percentage change 1975-1983	+10.7%	+9.9%	+14.7%

a/ Includes income from sources such as earnings, dividends, interest, private and public pensions, alimony and child support.

b/ In addition to the income in column 1, includes benefits from social security, railroad retirement, unemployment insurance, workers' compensation, and veterans' benefits.

c/ In addition to the income in column 2, includes cash welfare benefits.

The decline from 1975-1983 in the impact of governmental cash transfers on poverty rates was sharper for non-Hispanic children, both black and white, than for Hispanics. Post-transfer poverty rates of non-Hispanics fell 29.1 percent (whites) and 18.6 percent (blacks) below pre-transfer poverty levels in 1975. In 1983, however, transfers cut the pre-transfer poverty rates of non-Hispanic children by only 17.7 percent (whites) and 8.6 percent (blacks). For market

income, pre-welfare, and post-transfer poverty rates of all non-Hispanic black and non-Hispanic white children, 1973-1983, see Appendix Table B.3.

If combined cash transfers of social insurance and welfare had achieved the same relative poverty reduction in 1983 as in 1973, there would have been about 1.5 million fewer poor children in 1983: 76,000 fewer poor Hispanic children, 930,000 fewer non-Hispanic white children, and 471,000 fewer poor non-Hispanic black children. These figures represent reductions from actual poverty numbers of 3.5 percent, 14 percent, and 11 percent, respectively.

C. Impact of Transfers on Poverty Income Deficit

In 1973 market income available to Hispanic children fell short of their poverty thresholds by \$2.838 billion dollars (1983 dollars). In 1983 their market income poverty deficit climbed to \$3.791 billion dollars. Thus, the pre-transfer gap widened by \$953 million, more than one-third.

Social insurance and cash welfare benefits, which had reduced the 1973 income gap of poor Hispanic children by \$1.496 billion (1983 dollars), contributed only \$1.457 billion—\$39 million less—to reducing the larger 1983 deficit. As a result, the post-transfer deficit rose \$992 million above its 1973 level, to \$2.334 billion.

In 1983 Hispanic children accounted from 13.6 percent of the total population of poor children, but for only 14.7 percent of their total poverty income deficit. Similarly, non-Hispanic white children accounted for 48.6 percent of all poor children, but for only 47.7 percent of their aggregate deficit. In contrast, non-Hispanic blacks, who represented 31.3 percent of the poor children, accounted for 33.5 percent of children's poverty gap. Their average degree of poverty was more severe than that of Hispanics or non-Hispanic whites. Other non-Hispanics, who represented 4.5 percent of the poor children, accounted

for the remaining 4.1 percent of the aggregate deficit. For aggregate poverty income deficits of Hispanic and non-Hispanic children based on market income alone, pre-welfare income, and total cash income, 1973-1983, see Appendix Table B.4.

D. Hispanic Children and Some Major Welfare Programs

Aid to Families with Dependent Children. Surveys of AFDC families generally have found from 12 to 14 percent of the mothers (or other payees) to be of Spanish origin (1973-1979). (See table 6.4)

TABLE 6.4. AFDC Families by Spanish Origin or Descent of Payee

	Total families (thousand)	Percent of total families				Total of Spanish origin <u>a/</u>
		Mexican	Puerto Rican	Cuban	Other Spanish	
January 1973	2,990	5.4	6.8	0.1	1.3	13.4
May 1975	3,420	5.3	6.0	0.2	1.1	12.2
March 1977	3,523	5.1	5.8	0.1	1.5	12.2
March 1979	3,428	5.7	6.2	0.4	1.6	13.6

a/ Totals differ from sum of components because of rounding.

Source: Studies of recipient characteristics by the Department of Health and Human Services.

In March 1983, the Department of Health and Human Services (HHS) estimated that Hispanics accounted for 11.7 percent of the AFDC caseload, but this figure was based on the quality control sample rather than a survey of recipients and so does not correspond exactly to others in the data series.

Food Stamps. A 1982 survey by the Agriculture Department of food stamp recipients found that 13 percent of the children enrolled in the food stamp program (and 12.8 percent of recipient households with children) were Hispanics. The survey based the ethnicity of all members of the household on that of the head.

Subsidized Housing. Data from the Department of Housing and Urban Development (HUD) show that Hispanics accounted for 8.2 percent of the housing units subsidized by four major programs that were rented to families with children in 1974. By 1981 this percentage had climbed to 10.4. The programs were public housing, section 8, section 236 interest reduction payments, and rent supplements. Omitted were rural housing programs.

During this time the poverty status of the Hispanic families in subsidized housing grew slightly worse. In 1974, about 82 percent of the families were classified as "very low income," with annual incomes below 50 percent of the area median, adjusted for family size. In 1981, this proportion had risen to 83 percent; moreover, half of the Hispanic families in subsidized housing in 1981 had incomes below 30 percent of the area median.

Share of Major Welfare Caseloads. From 1975-1983 Hispanic children generally accounted for about 15 to 16 percent of all children whose total cash income fell short of poverty thresholds. Hispanic families consistently accounted for smaller shares of major welfare caseloads (AFDC, food stamps, subsidized housing) than poor Hispanic children's share of the total population of poor children. The disproportion may reflect larger average sizes of Hispanic

families and their less severe poverty (smaller per capita income gaps), compared to those of non-Hispanic black and white families with children. 64/

E. Public Benefits to Hispanic Households

The initial report of the Census Bureau's Survey of Income and Program Participation (SIPP) 65/ said that 19.2 percent of the 4,182,000 households headed by a person of Spanish origin received cash benefits from means-tested programs (cash welfare) 66/ in the July to September quarter of 1983. SIPP also reported that 33.2 percent of these households received noncash benefits from means-tested programs 67/ and that 4.5 percent received unemployment compensation during the quarter. Corresponding percentages for the 9,246,000 households headed by blacks were 24.5 (cash welfare), 40 (noncash welfare), and 3.9 (unemployment compensation). For the 71,858,000 households headed by whites the percentages were 6.6, 11.6, and 3.4, respectively. The white and black householders included persons of Spanish origin.

SIPP data indicate that the mean monthly cash income of households headed by Hispanics was \$1,605 during the quarter, 14 percent above that of households headed by blacks, but 29 percent below that of households headed by whites. Data were not reported for households with non-Hispanic black or white heads.

64/ It may also reflect the presence of illegal Hispanic aliens, who are ineligible for cash welfare, but data are lacking on this issue.

65/ U.S. Department of Commerce. Bureau of the Census. Economic Characteristics of Households in the United States. Third Quarter 1983. Current Population Reports. Series P-80. No. 1.

66/ These benefits were SSI (Federal and State supplementary programs) Veterans pensions, Aid to Families with Dependent Children, General Assistance, Indian, Cuban or Refugee Assistance, and other welfare.

67/ These benefits were food stamps, Special Supplemental Food Program for Women, Infants and Children (WIC), low-income home energy assistance, Medicaid, free or reduced-price school lunches, free or reduced-price school breakfasts, and public or subsidized rental housing. SIPP reported that food stamps went to: 19.8 percent of the households headed by Hispanics, 24.4 percent of the households headed by blacks and 5.3 percent of the households headed by whites.

APPENDIX A: PROBLEMS IN DEFINING ETHNIC ORIGIN

Ethnicity is a concept for which there is no commonly agreed upon definition. One suggested definition is ". . . social diversity that is not related to age, social class, or sex. Hence it includes diversity that arises because of race, religion, nationality, language, and even geography." 68/ Ethnicity also has been defined as ". . . any of the basic divisions or groups of mankind, as distinguished by customs, characteristics, language, etc." 69/

Difficulties arise when attempting to identify members of ethnic groups in a meaningful way. The Census Bureau has conducted extensive research on the subject, particularly as it relates to identifying the Hispanic population. 70/ Several methods have been used, but each has its drawbacks.

1/ From inaugural editorial of Ethnicity (1974), cited in: Thernstrom, Stephan, ed. Harvard Encyclopedia of American Ethnic Groups. Cambridge, Mass., Harvard University Press, 1980. p. 954.

2/ From Andrew Greeley cited in *ibid.*, p. 954.

3/ See for example: U.S. Bureau of the Census. Consistency of Reporting of Ethnic Origin in the Current Population Survey. Technical Paper No. 31. Washington, U.S. Govt. Print. Off., 1974. U.S. Bureau of the Census. Comparison of Persons of Spanish Surname and Persons of Spanish Origin in the United States. Technical Paper No. 38. Washington, U.S. Govt. Print. Off., 1975. Siegel, Jacob S. and Jeffrey S. Passel. Coverage of the Hispanic Population of the United States in the 1970 Census. Current Population Reports, Special Studies, Series P-23, No. 82, 1979.

Country of Birth or Parentage

One's country of birth, or that of his parent(s) or other ancestors most directly identifies his ethnic origin. However, rarely is it possible to determine, beyond a generation or so, when and from what countries an individual's ancestors came to the United States. It is often difficult to identify the ethnic origin of persons beyond the first generation (foreign born of foreign born parents) and second generation (native born of foreign born persons).

Spanish Surname

The Census Bureau has attempted to identify people of Spanish origin through the use of Spanish surnames. ^{71/} However, certain problems arise. For example, many Spanish surnames are shared by persons of Italian or Portuguese origin. Also, after marriage, only names from the father's side are typically retained. After a generation or two it may become increasingly hard to establish a person's ethnic origin on the basis of his surname.

Mother Tongue and Current Language Spoken at Home

The Census Bureau has also attempted to identify the Spanish-language population, to gain some insight into immigration of Hispanics, compared to other groups. Thus, in 1960 and 1970 it asked respondents to give their "mother tongue," the language spoken in the home when they were children. In 1980 the Census Bureau dropped the mother tongue question and instead asked about the current language spoken at home. Although language is an important aspect of

^{71/} U.S. Bureau of the Census. Technical Paper No. 38. Comparison of Persons of Spanish Surname and Persons of Spanish Origin in the United States, 1975.

ethnicity, it is inadequate to identify the Hispanic population. Different groups who consider themselves to be Hispanic vary widely in their retention of the Spanish language and their assimilation of English. 72/

Ethnic Origin

The Census Bureau has attempted to identify the Hispanic population by simply asking respondents what they consider to be their ethnic origin, descent or ancestry. Ethnic identification may be related to a host of factors, including recency of immigration, and the extent to which cultural practices, religion, or language associated with an ethnic group are maintained. Geographic proximity to others of shared ethnic background may also affect the degree to which persons maintain cultural practices and identify (or do not wish to identify with a particular ethnic group. 73/

Inconsistencies in Estimates of the Hispanic Population by Parentage, Spanish Surname, Native Tongue, and Ethnic Origin

Many data limitations and inconsistencies become evident when different aspects of Hispanic ethnicity are examined relative to one another. For example, the Census Bureau found that in 1971 only 46 percent of the Spanish surname

72/ U.S. Library of Congress. Congressional Research Service. English Language Usage by the Hispanic Population in the United States. Typed Report by Sharon Masanz and Tom Gabe, December 7, 1981. Washington, 1981.

73/ It is perhaps related to this that the U.S. Census Bureau found severe misreporting of persons of Mexican origin in the 1980 Census, in areas where the Spanish origin population was generally sparse. U.S. Bureau of the Census. Detailed Occupation and Years of School Completed by Age, for the Civilian Labor Force by Sex, Race, and Spanish Origin: 1980. Supplementary Report. PC80-S1-8.

population in the United States considered themselves to be of Spanish origin, and that only 61 percent were of the persons who considered themselves to be of Spanish origin had a Spanish surname. In five southwestern States (Arizona, California, Colorado, New Mexico, and Texas), where the Hispanic population is mostly Mexican, only 81 percent of Spanish surname persons were of Spanish origin, and 74 percent of Spanish origin persons had Spanish surnames.

There is some uncertainty as to how the same persons respond to self-identifying origin questions from one time to another. Responses are sensitive to the question format, including the order in which different ethnic groups are listed. Open-ended questions, allowing a person to state his or her own ancestry, including mixed ancestry, yield different answers than a closed-ended forced response question, when asked of the same person at the same time. ^{74/} Census Bureau research on a closed-ended ethnic origin question showed that only two thirds of respondents gave the same answer in reporting their ancestry from one year to the next. ^{75/} However, among all groups, Hispanics were among the most consistent in reporting their ethnic identity; overall, 78.9 percent of Hispanics reported the same ethnic origin in both years studied.

The shares of Hispanic subgroups who gave the same answer both years were Puerto Ricans, 96.5 percent; Mexicans, 83.3 percent, Central or South Americans, 47.3 percent; other Spanish, 32 percent. Among those who reported being Central or South American, or other Spanish, in only one of the two years, most reported being a member of another Spanish origin group in the other year.

After several generations, ethnic origins become blurred. The greater consistency in response seen above among those who identify themselves as

^{74/} Masanz and Gabe, op. cit.

^{75/} U.S. Bureau of the Census. Consistency of Reporting of Ethnic Origin in the Current Population Survey. Technical Paper No. 31. February 1974.

Hispanic, may in part be due to the relatively recent immigration of many of them. Some evidence of the relationship between ethnic origin and parentage is available from the 1970 Census Content Reinterview Survey, which asked the question: "Where did your father's (or mother's) ancestors come from?" Only three-quarters of the persons reporting ancestors from Hispanic countries identified themselves as being of Hispanic origin on the Census. People with Spanish surnames, or who were foreign born, or who lived in the Southwest, were more consistent in their response to the Spanish origin question than were others. Among those who were born in Hispanic countries (first generation), 99 percent reported being of Spanish origin on the Census. However, only 4 out of 5 persons who were native born but of foreign parentage (second generation) identified themselves as of Hispanic origin, and only about three quarters of all third generation persons did so. Among fourth generation persons with Hispanic ancestors, less than half reported being Hispanic, and only about one out of twenty who were more than four generations removed did so. ^{76/} Although nearly all persons (97 percent) who reported having Spanish ancestors on both sides of the family identified themselves as Hispanic, only one in five with a Spanish ancestor(s) on just one side of the family did so.

Definition of Ethnicity Presented in this Report—Ethnic Origin

The classification of Hispanics on the March 1984 Current Population Survey (CPS), which is used throughout this report, is based on self-identified ethnic origin. The respondent is asked to identify the origin or descent of each member of the household from among the following possibilities:

^{76/} Siegel, Jacob S. and Jeffrey S. Passel. Coverage of the Hispanic population in the United States in the 1970 Census. Current Population Reports. Special Studies. P-23, No. 82., pp. 10-11.

German	Mexican American
Italian	Chicano
Irish	Mexican
French	Puerto Rican
Polish	Cuban
Russian	Central or South American
English	Other Spanish
Scottish	Afro-American (Black, Negro)
Welsh	Another Group not listed
	Don't know

The Census Bureau codes Hispanics as: Mexican American, Chicano, Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish. Household heads are asked to identify the race of each household member, as a separate question. As a result, Hispanics may be of any race.

Unfortunately, data on the March 1984 CPS do not permit a comparison of Hispanics to non-Hispanics on many of the the more relevant dimensions of ethnicity—when and from what country the individual or his/her ancestors first came to the United States or facility with spoken and written English.

See Appendix C for the Census Bureau's revised weighting procedures for persons of Spanish origin and Appendix D for a comparison of original and revised 1983 child poverty data.

APPENDIX B

Additional Data

Table B.1. Weighted Average Poverty Thresholds For Families a/ of Specified Size, 1975-1984

Calendar Year	Families of three or more persons				
	3 persons	4 persons	5 persons	6 persons	7 persons <u>b/</u> or more
1975	\$4,293	\$5,550	\$6,499	\$7,316	\$9,022
1976	4,540	5,815	6,876	7,760	9,588
1977	4,833	6,191	7,320	8,261	10,216
1978	5,201	6,662	7,880	8,891	11,002
1979	5,784	7,412	8,775	9,914	12,280
1980	6,565	8,414	9,966	11,269	12,761
1981	7,250	9,287	11,007	12,449	14,110
1982	7,693	9,862	11,684	13,207	15,036
1983	7,938	10,178	12,049	13,630	15,500
1984 (est.)	8,280	10,610	12,560	14,210	16,160

a/ Thresholds are for nonfarm families until 1981.b/ For years beginning with 1980, thresholds are for 7 persons, not for 7 persons or more.

APPENDIX B.2. Population Changes 1975-1982, All Children Under 18
(Number in thousands)

	Total Children		Hispanic Children		All Hispanics as percent of all children	Hispanic poor as percent of all poor children
	Total number	Number poor	Total number	Number poor		
1975	65,042	11,087	4,920	1,639	7.6	14.8
1976	63,994	10,254	4,770	1,442	7.5	14.1
1977	63,100	10,211	5,027	1,423	8.0	13.9
1978	62,590	10,210	5,012	1,383	8.0	13.3
1979	61,692	10,110	5,462	1,512	8.9	15.0
1980	62,914	11,549	5,277	1,756	8.4	15.2
1981	62,449	12,505	5,369	1,925	8.6	15.4
1982	62,345	13,647	5,527	2,180	8.9	16.0
1983	62,140	13,807	5,650	2,160	9.1	15.6

Table prepared by CRS from March Current Population Surveys, 1976-1984

TABLE B.3. Poverty Rates for All Children: 1975-1983

	1975	1976	1977	1978	1979	1980	1981	1982	1983
Market income:									
Hispanic	39.1	35.1	33.5	31.7	31.6	37.5	40.7	44.9	43.3
White non-Hispanic	15.1	13.2	13.4	12.9	13.0	15.0	16.0	17.6	18.1
Black non-Hispanic	51.1	48.5	50.0	49.4	48.6	48.2	51.7	53.1	51.0
Total	22.2	20.3	20.5	20.0	20.2	22.0	23.8	25.6	25.8
Pre-welfare:									
Hispanic	36.4	33.0	30.9	29.6	29.6	33.1	38.0	41.4	40.0
White non-Hispanic	11.8	10.7	10.9	10.9	11.0	12.7	13.7	15.0	15.3
Black non-Hispanic	46.9	44.9	46.5	46.2	45.5	45.2	48.3	50.3	48.4
Total	18.9	17.5	17.9	17.8	18.0	19.7	21.3	22.9	23.0
Total cash income:									
Hispanic	33.3	30.2	28.3	27.6	27.7	33.3	35.8	39.4	38.2
White non-Hispanic	10.7	9.8	9.9	10.0	10.0	11.8	12.9	14.4	14.9
Black non-Hispanic	41.6	40.6	41.8	42.1	41.0	42.3	45.1	47.6	49.6
Total	17.0	16.0	16.2	16.3	16.4	18.4	20.0	21.9	22.2

TABLE B.4. Aggregate Poverty Income Deficits for All Hispanic and Non-Hispanic Children: 1975-1983
(Millions of constant 1983 dollars)

Year	Hispanic			Non-Hispanic white			Non-Hispanic black		
	Market income deficit	Pre-welfare deficit	Cash income deficit	Market income deficit	Pre-welfare deficit	Cash income deficit	Market income deficit	Pre-welfare deficit	Cash income deficit
1983	83,791	83,402	82,334	812,606	810,041	87,569	88,867	87,804	85,321
1982	3,752	3,317	2,253	12,378	10,038	7,622	8,759	7,718	5,218
1981	3,314	2,936	1,896	11,090	8,799	6,614	8,332	7,303	4,719
1980	3,072	2,725	1,685	10,706	8,456	6,141	7,689	6,685	4,173
1979	2,624	2,311	1,388	9,037	7,216	5,109	7,496	6,524	3,887
1978	2,550	2,269	1,263	10,239	8,152	5,832	7,964	7,046	4,372
1977	2,589	2,275	1,144	10,131	7,686	5,083	7,776	6,764	3,711
1976	2,681	2,329	1,190	9,736	7,267	4,881	7,536	6,442	3,439
1975	2,838	2,456	1,342	11,047	8,006	5,483	7,832	6,612	3,784

APPENDIX C: REVISED WEIGHTING PROCEDURES OF THE CENSUS BUREAU
FOR PERSONS OF SPANISH ORIGIN 77/

The estimates in this [Census Bureau] report for 1984 and 1983 . . . are based on revised survey weighting procedures for persons of Spanish origin. In previous years the estimation procedures used in this survey involved the inflation of weighted sample results to independent estimates of the noninstitutional population by age, sex, and race. There was, therefore, no specific control of the survey estimates for the Spanish population. During the last several years, the Bureau of the Census has developed independent population controls for the Spanish population by sex and detailed age groups and revised weighting procedures to incorporate these new controls. It should be noted that the independent population estimates include some, but not all, illegal immigrants.

The data in tables C and D illustrate the effect of introducing the new weighting methods by contrasting 1983 estimates based on the "original" and revised procedures. Overall, the revised procedures increased the Spanish population estimates from the survey by approximately 1.6 million. Since the original weighting procedures yielded underestimates of the number of Spanish and since Spanish have lower incomes, on average, than the total population, the net effects of the revised weighting were slightly lower median incomes and higher estimates of the poverty population overall for 1983. The estimates of the number of persons of Spanish origin below the poverty level increased by 392,000

77/ The text of Appendix C is reprinted from U.S. Department of Commerce, Bureau of the Census. Money Income and Poverty Status of Families and Persons in the United States: 1984. Series P-60, No. 149. Issued Aug. 27, 1985. p. 4 and 5.

following the revised procedures; however, their poverty rate declined slightly from 28.4 percent to 28.1 percent. The median income for males for Spanish origin was 3.9 percent lower based on the revised procedures.

TABLE C.1. Number of Persons and Persons Below the Poverty Level
Based on Original and Revised Weighting Procedures: 1983
(Numbers in thousands. Persons as of March 1984)

Race or Spanish origin	Revised	Original	Difference revised minus original
All Persons			
Total	231,700	231,612	88
White	197,496	197,671	-175
Black	27,678	27,668	10
Spanish origin <u>a/</u>	16,544	14,938	1,606
Persons Below the Poverty Level			
Total	35,515	35,266	249
White	24,189	23,974	215
Black	9,888	9,885	3
Spanish origin <u>a/</u>	4,641	4,249	392
Percent Below the Poverty Level			
Total	15.3	15.2	0.1
White	12.2	12.1	0.1
Black	35.7	35.7	—
Spanish origin <u>a/</u>	28.1	28.4	-0.3

a/ Persons of Spanish origin may be of any race.

TABLE C.2. Median Income of Families and Persons Based on Original and Revised Weighting Procedures: 1983

Characteristics	Revised	Original	Percent Difference
Families			
Total	\$24,549	\$24,580	-0.1
White	25,719	25,757	-0.1
Black	14,532	14,506	0.2
Spanish origin <u>a/</u>	16,907	16,956	-0.3
Persons			
Males, total	14,590	14,631	-0.3
White	15,359	15,401	-0.3
Black	8,989	8,967	0.2
Spanish origin <u>a/</u>	10,841	11,278	-3.9
Females, total	6,303	6,319	-0.3
White	6,403	6,421	-0.3
Black	5,542	5,543	—
Spanish origin <u>a/</u>	5,371	5,402	-0.6

a/ Persons of Spanish origin may be of any race.

APPENDIX D: COMPARISON OF ORIGINAL AND REVISED 1983 CHILD POVERTY DATA

The revised weighting procedures used by the Census Bureau in its August 1985 report on poverty increased the 1983 number of poor children as follows: whites, up one percent; blacks, up less than one-half percent; and Hispanics, up seven percent. The revisions resulted in a slight increase in the poverty rate for white children and slight decreases in the poverty rates for black and Hispanic children. However, none of the changes in poverty rates was statistically significant. (See table D.1.)

The CRS report did not incorporate these 1983 revisions, which are based on different weighting procedures from those applied to the 1975-1982 data examined in the study and, thus, would make comparisons difficult, and which are not on the 1983 public use data tape.

The Census Bureau noted that the change in procedure would affect comparisons across years and said that "caution should be used when comparing current estimates with those for earlier years." 78/

78/ Bureau of the Census. Money Income and Poverty Status of Families and Persons in the United States: 1984. Series P-60, No. 149. p. 35.

Table D.1. Children a/ Poor in 1983: Original and Revised Data b/

	Number poor (thousands)		Poverty rate (percent)	
	Original	Revised	Original	Revised
Hispanic children				
Total	2,105	2,251	37.8	37.7
In female-headed families	956	1,018	70.6	70.6
In male-present families	1,150	1,233	27.3	27.2
White children				
Total	8,456	8,556	16.9	17.0
In female-headed families	3,356	3,399	46.9	47.2
In male-present families	5,100	5,157	11.9	11.6
Black children				
Total	4,258	4,273	46.3	46.2
In female-headed families	3,185	3,187	68.5	68.3
In male-present families	1,073	1,085	23.6	23.7
All children <u>c/</u>				
Total	13,326	13,449	21.7	21.8
In female-headed families	6,709	6,758	55.4	55.5
In male-present families	6,617	6,691	13.4	13.5

a/ Related children.

b/ Original data from Census Bureau. Characteristics of the Population Below the Poverty Level: 1983. Series P-60, No. 147. February 1985. Revised data from Census Bureau. Money Income and Poverty Status of Families and Persons in the United States: 1984. Series P-60, No. 149. August 1985.

c/ Includes other non-whites.

Chairman GONZALEZ. These documents illustrate trends in Hispanic housing conditions from 1970 to 1983 and discuss the high poverty rate among Hispanics, which is, of course, a contributing factor to housing problems.

I am also including a statement, by my colleague, Congressman Charles Rangel, and I am including the poverty study in the record at his request and suggestion.

[The prepared statement of Hon. Charles Rangel and attached factsheet follow:]



NEWS **CHARLES B. RANGEL**

Congressman

Washington (contact) George A. Dalley - 202-225-4365

U.S. House of Representatives • Washington, D.C. 20515

Embargoed until
1:00 p.m. EST
September 14, 1985

RANGEL COMMENTS ON A SUPPLEMENTAL CONGRESSIONAL RESEARCH SERVICE REPORT ON HISPANIC CHILDREN IN POVERTY

The report released today by Congressmen Rangel and Ford and prepared by the Congressional Research Service supplements the May, 1985 study of poor children entitled, Children in Poverty.

For the first time, this report studies the poverty of Hispanic children in detail, and shows their economic situation in relation to that of non-Hispanic children. In order for this to be accomplished, it was necessary to treat ethnic and racial designations as mutually exclusive and subtracts Hispanic children from the white and black child populations with which they are merged in standard Census Bureau tabulations.

Some of the findings of this study are:

1. Poverty rates among Hispanic children are very high, exceeding those of non-Hispanic children (both black and white) for both female- and male-headed families.
2. Hispanic children account for almost one-sixth of the nation's poor children.
3. The population of Hispanic children increased 15 percent from 1975 to 1983, while that of non-Hispanic children declined 6 percent.
4. The poverty rate for non-hispanic black children is 3.1 times higher than that for non-Hispanic whites. Earlier results had reported a black rate 2.7 times higher than white children for 1983.
5. From 1978 to 1982, the number of poor Hispanic children climbed by almost 53 percent, and the share of all poor children who were Hispanic rose from 13.5 to 16.0 percent.
6. Demographic factors (family type, family size, and age of family head) account for less of the poverty among Hispanic children than among non-Hispanic black children. This implies that economic factors account for a higher proportion of Hispanic children than that of non-Hispanic black child poverty. For example, the poverty rate of Hispanic children whose father worked full-time was more than triple that of corresponding non-Hispanic black children. One reason for the high incidence of poverty in married-couple Hispanic families with a full-time working father is the fewer hours worked by their wives, compared with those of non-Hispanic black and white wives.
7. Poverty among Hispanic children is highest in the Northeast region of the country.

"By 1984, the poverty rate for Hispanic children was 84 percent above that among all U.S. children. These are devastating statistics when one realizes that the Hispanic population in general is a sizable one in many states, and that the population of Hispanic children is continuing to expand. It is important that this population not be ignored. This study continues to re-emphasize the plight of poor children; ever reminding us that the time has come to take our nation's children out of the hands of poverty", said Rangel, in releasing the study.

Embargoed Until
1:00 p.m. EST
September 14, 1985

FACT SHEET

Purpose

The report released today and prepared by the Congressional Research Service supplements its May, 1985 study of poor children entitled, Children in Poverty.

For the first time, this report studies the poverty of Hispanic children in detail and shows their economic situation in relation to that of non-Hispanic children. In order for this to be accomplished, it was necessary to treat ethnic and racial designations as mutually exclusive and subtracts Hispanic children from the white and black child populations with which they are merged in standard Census Bureau tabulations.

Poverty Rates

Some of the findings of this study are:

- o Poverty rates among Hispanic children are very high exceeding those of non-Hispanic children (both non-Hispanic black and white) for both female- and male-headed families. The 1983 poverty rates for Hispanic children in female-headed families is 70.5 percent compared to 68.3 percent for non-Hispanic black children. In male-present families, the Hispanic poverty rate is 27.3 percent, compared to 23.6 percent for non-Hispanic black children living in male-present families.
- o However, the overall poverty rate for Hispanic children is lower than that of non-Hispanic black children because a larger percentage of Hispanic children live in male-present families as compared to black children.
- o Hispanic children account for almost one-sixth of the nation's poor children.
- o The poverty status of Hispanic children, relative to that of other children, worsened in 1984. Although the poverty rate for all children decreased in 1984, the poverty rate among Hispanic children rose by one percentage point, almost wiping out a 1983 decline of 1.2 percentage points. The 1984 rate was, thus, only slightly below the 1982 peak rate of 38.9 percent.

- o The incidence of poverty among Hispanic children in 1984 was 84 percent above that among all U.S. children. Out of every 100 related Hispanic children, 38.7 lived in families whose money income fell short of their poverty threshold, compared with 21 per 100 in the total population of related children.
- o Incidence of poverty among Hispanic sub-groups varied widely. More than half the children of Puerto Rican origin were poor (52.2 percent), but only 26.0 percent of the children of Cuban origin were poor. In between were Mexican-Americans, with a rate of 37.0 percent, three percent below the Hispanic average.
- o The 1983 poverty rate among Hispanic children is highest in the Northeast and Mid-Atlantic states. In those states, 53.4 percent of Hispanic children are poor.
- o The incidence of poverty among non-Hispanic white children in 1983 was 14.9 percent, one-seventh lower than the rate of 17.3 percent calculated for all white children in Children in Poverty. Among non-Hispanic black children, the incidence of poverty was 46.6 percent, almost unchanged from the poverty rate of 46.7 percent of all black children.

Consequently, the poverty rate for non-Hispanic black children is 3.1 times higher than that for non-Hispanic white children. Earlier results had reported a black child poverty rate 2.7 times higher than white children for 1983.

Poverty Trends

- o The population of Hispanic children increased 15 percent from 1975 to 1983, while that of non-Hispanic children declined 6 percent.
- o Between 1978 and 1983, poverty among Hispanic children increased 53 percent compared to 51 percent for non-Hispanic white children and 10 percent for non-Hispanic black children.
- o From 1978 to 1983, the Hispanic share of all poor children rose from 13.5 percent to 15.6 percent.

Causes of Poverty

- o Contributing to the high rates of poverty among Hispanic children are very low levels of high school completion by their parents, a relatively large number of children per family, an above-average share of children being raised by mother alone, and a relatively large proportion of children with young parents.
- o Demographic factors (family type, family size and age of family head) account for less of the poverty among Hispanic children than among non-Hispanic black children. This implies that economic factors account for a higher proportion of Hispanic child poverty compared to black child poverty. For example, the poverty rate of Hispanic children whose father worked full-time was more than triple that of corresponding non-Hispanic black children. One reason for the high incidence of poverty in married-couple Hispanic families with a full-time working father is the fewer hours worked by their wives, compared with those of non-Hispanic black and white wives.
- o Poor Hispanic children are substantially more likely to live in large families than are poor non-Hispanic children, white or black. In 1983, 42 percent of poor Hispanic children lived in families with four or more children; corresponding percentages for whites and blacks were 23 and 35.
- o Available social insurance payments and cash welfare benefits per Hispanic child who was poor without them declined in constant dollar value from 1975 to 1983, by 20 and 24 percent, respectively.
- o From 1975 to 1983, Hispanic children generally accounted for about 15 to 16 percent of all children whose total cash income fell short of poverty thresholds. Hispanic families consistently accounted for smaller shares of major welfare caseloads (Aid to Families with Dependent Children, food stamps, subsidized housing) than the fraction of the total population of poor children represented by Hispanics.

Chairman GONZALEZ. At this time I would like to recognize our colleague to my left here, if he cares to have a statement.

**STATEMENT OF HON. JAIME B. FUSTER, RESIDENT
COMMISSIONER OF PUERTO RICO**

Mr. FUSTER. Yes, Mr. Chairman.

It is appropriate during Hispanic Heritage Week for us to focus on some of the issues regarding housing that are of particular concern to our Hispanic communities.

Housing issues have been of increasing significance to all of us, both Hispanics in the mainland and to my constituents in Puerto Rico, 3.5 million American citizens living in the island, whom I represent in the Congress.

We have all experienced the dire effects of urban decay, gentrification and displacement, inadequate supply of affordable housing, and a resurgence of discrimination in housing in the United States. Fairness and equity in housing have been elusive goals for Hispanics generally in the United States. Anyone who has visited the South Bronx or Williamsburg knows we are far from reaching such goals.

The Puerto Rico Legal Defense and Educational Fund won a landmark decision some years ago against the New York Housing Authority to eliminate rental quotas set to limit nonwhite and Puerto Rican tenancy in Williamsburg, but such action, important as it is, is not enough.

From Buffalo to New Jersey, discriminatory housing practices continue and we have a U.S. Department of Housing and Urban Development which, according to the National Committee Against Discrimination in Housing, "has virtually abandoned" its role in the enforcement of the fair housing law.

Even though some of those problems manifest themselves differently in Puerto Rico, the situation for us in the island is not rosier than it is here in the mainland.

Regarding my own particular constituency, the most acute problem in Puerto Rico in the housing field is not due to discrimination or unfair practices but to an inadequate supply of affordable housing for a growing population. The slum dwellings of yesteryear are not totally eradicated. They are just less visible. The inadequately maintained public housing projects with a disproportionate share of crime and turmoil may have a fresh coat of paint, but that does not alleviate the overcrowded conditions in which many of our citizens live.

As the demand for housing has increased, the supply has steadily declined. While in 1980 the value of all new housing rose to \$460 million, in 1984 the value of new construction was \$388 million, or a 22.5-percent drop.

The Government of the Commonwealth of Puerto Rico estimates that 100,000 housing units need to be constructed in the immediate future if we are to attend to the needs of our growing population. Over 60,000 families in Puerto Rico are presently living in federally assisted housing. An additional 76,000 requests for low-income housing await consideration.

In addition to the requirements of the population in general, the special housing needs of particularly vulnerable segments of our population warrant special attention—our youth, our elderly, our single female heads of household.

The lack of recreational space to alleviate the grossly inadequate conditions in which most of the poor in Puerto Rico live also requires special attention.

Urban renewal that takes people away from jobs and transportation has to be stemmed by finding solutions that are cognizant of cultural mores. The institutionalization of our elderly in remote locations away from their neighborhoods, relatives, and friends is not an adequate solution, in human terms, to their need for shelter. The acute shortage of housing facing single heads of household is likewise an important problem.

Mr. Chairman, I do not need to go on citing problems and statistics. I think it is clear that Hispanics both in the mainland and in Puerto Rico face especially serious disadvantages regarding adequate housing.

As we celebrate Hispanic Heritage Week, we should pause to reflect that while some progress has been achieved in this field, there is still a lot to be done. Let us use this opportunity to strengthen our commitment and our resolve to make sure that all American citizens of Hispanic origin, as well as all needy American citizens, irrespective of their origin, will be able to enjoy the great American dream of having an adequate roof to properly shelter their families.

One significant step would be passage of H.R. 1, the housing bill of 1985, which our chairman has steered so ably in this committee.

Before I close, I would like to welcome the excellent panelists we have with us today to share their perspectives with us.

In particular, I would like to single out my fellow Puerto Rican, Jorge Hernández, of Inquilinos Boricuas en Acción, who was recently honored by the National Urban Coalition with its Distinguished Community Service Award for his work with Puerto Rican tenants in Boston.

Private organizations and community people like Mr. Hernández can be of great help in our efforts to meet the housing needs of the Hispanic population in the future.

Thank you, Mr. Chairman.

Chairman GONZALEZ. Thank you very much, Representative Fuster.

I think that the record should show that the Puerto Rican Delegate Representative has a constituency of approximately better than 3 million.

Mr. FUSTER. 3.5 million.

Chairman GONZALEZ. The job that Mr. Fuster is doing and has been doing since he has been a member of the Subcommittee on Housing is outstanding. He has been most helpful with his presence at the right time when we really need the help.

As you know, you made reference to H.R. 1, and we are battling for the survival of any kind of authorization, even the extension of the present subsidized housing laws and policies, some of which have been in existence for 40 years, that President Reagan has scheduled to eliminate and that we must extend with a simple leg-

islative extender. Short of that, it looks as if the authorization bill before October 1 is just impossible—so it is ironic that at a time of great need, probably the greatest need for a national commitment for housing since 1940, that we would have an administration dedicated to the destruction of the programs that have been in place for over 40 years.

That is what we face, and at this moment we are confronted with a dilemma as to just how we can survive in view of the decision made by our congressional leaders to follow the so-called budget reconciliation process.

The first time that was tried in 1981-82 it was disastrous in many, many areas of policy in some fundamental domestic programs.

So that at this point we are faced with this compounded problem.

The first panel consists of Dr. John I. Gilderbloom, assistant professor of sociology at the University of Houston; and Dr. Sheree L. West, environmental psychologist, Center for Human Environments, from New York.

I will ask the two panelists to take their place at the table.

Dr. Gilderbloom, we'll just go ahead and proceed with you. It looks as if Dr. West hasn't arrived and possibly may not be able to show up. But we appreciate your answer to our invitation and you may proceed as you see best.

You may wish to offer your prepared text for the record and summarize your statement or you may wish to read it, whatever your choice is. We're delighted you could be with us.

I want to announce the arrival of Representative Garcia from New York and also Representative Esteban Torres from California. And thank you both, gentlemen.

May I interrupt and ask your leave, Dr. Gilderbloom, because I'm going to ask my colleagues if they wish to make a statement at this point. We have just begin, gentlemen, and we were just at the point of presenting the member of the first panel, but I think it would be appropriate if you have remarks that you wish to enter into the record at this point that we recognize you if you so wish.

STATEMENT OF HON. ROBERT GARCIA, REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. GARCIA. With the permission of the Chair, first of all, I apologize for being late. Because it is Hispanic Heritage Week, what we have been doing is meeting with several groups and one of the last meetings we have just come from, a luncheon meeting, is that dealing with the immigration bill with another group of United States/English groups, so that that is what we have been doing. But just let me say to you, Mr. Chairman, and the people who are here that I think that we on the Housing Subcommittee have been blessed because of the fact that we have an outstanding chairman in Mr. Gonzalez. And I don't say that because generally speaking you get to these meetings and everybody says nice things about everybody else, but the bottom line—

Chairman GONZALEZ. I'll vote for you, Bob. [Laughter.]

Mr. GARCIA. But the bottom line is I think the black community, the Hispanic community, and the poor community in general

across the Nation have been helped tremendously because the chairman of this committee has gone to the community, whether it's here in Washington or whether it's in New York or whatever part of the country where there's a need, he has gone, and so I'm delighted to be here at this hearing.

And I would like to also say, Mr. Chairman, that I have a prepared statement that I would like to have included in the record.

I would just state very clearly that there's no question that there is a need in the Hispanic community. I think one of our top priorities, if not our top priority, is indeed housing. So that's why this hearing is both timely and necessary.

Chairman GONZALEZ. Thank you very much, Mr. Garcia. Without any objection, your statement will be entered into the record as you prepared it.

[The prepared statement of Mr. Garcia follows:]

Prepared Statement of the Hon. Robert Garcia, a
Representative in Congress from the State of New York

MR. CHAIRMAN, I WOULD LIKE TO THANK YOU FOR HOLDING THIS HEARING ON HISPANIC HOUSING NEEDS.

SINCE 1980 WE HAVE SEEN A 60 PERCENT REDUCTION IN HOUSING ASSISTANCE. IN NEW YORK CITY ALONE THERE ARE OVER 40,000 HOMELESS, AND WE ARE SEEING MORE AND MORE HOMELESS FAMILIES. A REPORT ISSUED BY THE NEW YORK STATE DEPARTMENT OF SOCIAL SERVICES STATES THAT OF HOMELESS FAMILIES IN NEW YORK, APPROXIMATELY 32 PERCENT ARE HISPANIC. BETWEEN 1970 AND 1980 NEW YORK EXPERIENCED A LOSS OF NEARLY EIGHT PERCENT OF ITS HOUSING STOCK, AND THERE WAS A 62 PERCENT DROP IN HOUSING STARTS DURING THE PERIOD BETWEEN 1969 TO 1982. ALONG WITH RENT INCREASES THIS MEANS THERE IS A GREAT DEAL OF COMPETITION FOR AFFORDABLE HOUSING. OVER 50,000 FAMILIES ARE DOUBLED UP THROUGHOUT THE CITY, AND THE WAITING LIST FOR PUBLIC HOUSING IS SO LONG SOME FAMILIES WAIT FIVE YEARS TO GET AN APARTMENT.

THE POVERTY RATE FOR HISPANICS IS ABOUT 38 PERCENT, AND OVER 50% OF THE HOUSEHOLDS HEADED BY HISPANIC WOMEN ARE AT THE POVERTY LINE. HISPANICS TEND TO LIVE IN INNER CITY AREAS, DISTRESSED AREAS FACING CONTINUING DECAY, AND EVER DWINDLING GOVERNMENT FUNDING. THERE ARE OVER 4 MILLION HOUSING UNITS OCCUPIED BY HISPANICS, AND

24% LIVE IN UNITS BUILT PRIOR TO 1940; ALMOST 4% LACK COMPLETE PLUMBING FACILITIES, AND 11% LIVE IN HOUSING THAT LACKS PUBLIC SEWERS.

THE REVITALIZATION OF THE INNER CITY WILL BE AN IMPORTANT STEP TOWARD EASING THE LEVEL OF DECLINE, OF PROVIDING EMPLOYMENT AND HOUSING OPPORTUNITIES. I HAVE INTRODUCED ENTERPRISE ZONE LEGISLATION THAT I BELIEVE WILL PLAY A PRIMARY ROLE IN THE RENAISSANCE OF AREAS SUCH AS THE BRONX, WHICH I REPRESENT, AND WHICH IS COMPOSED OF A MINORITY POPULATION OF BLACKS AND HISPANICS: TWO GROUPS THAT ARE ON THE LOW END OF THE POVERTY SCALE. NO ONE IS ASKING THE FEDERAL GOVERNMENT FOR A HANDOUT; WHAT IS NEEDED IS A HAND. THE FEDERAL GOVERNMENT HAS A FIFTY YEAR TRADITION OF PROVIDING HOUSING ASSISTANCE TO THOSE WHO NEED IT. NOW THAT THE HOUSING PROBLEM HAS GROWN TO CRISIS PROPORTIONS WE CANNOT AFFORD TO BACK AWAY FROM THAT COMMITMENT.

Chairman GONZALEZ. Mr. Torres.

Mr. TORRES. Thank you, Mr. Chairman. I want to associate myself with Representative Garcia echoing a note of thanks to you for holding this hearing on the housing needs and conditions of Hispanics. This hearing, as we all know, is just one of four of many being held on Capitol Hill this week. Other hearings will examine Hispanic participation in Federal small business programs, health and in education programs.

We have chosen this time to examine these issues because this week has been set aside nationally as a time to celebrate and reflect upon the role of Hispanics in this Nation. It's a time for Hispanics to congratulate themselves on how far they have come in business, in the arts, in academics and in Government.

The Hispanic Heritage Week also provides us with the unique opportunity to learn about the problems that continue to plague Hispanics today and this afternoon's hearing will help us understand and define the housing needs and conditions of the Hispanic community, will help us identify the problems unique to the Hispanic community and tell us what we have to do to alleviate these problems. This hearing, I might say, should also tell us what type of job the Federal Government is doing in housing, whether or not it's actively committed to assisting Hispanics to obtain at least safe and affordable housing.

At this time, that commitment, I might say, is questionable. I want to leave this hearing having found out why most Hispanics can't afford to own their own homes. I want to find out why most Hispanics must rent older, deteriorating units than other Americans.

I'd like to point out why Hispanics have larger households than other Americans, yet are forced to live in smaller homes and apartments, and I want to find out why Hispanics pay a larger percentage of their income for rent than other Americans.

If we can find out the answers to these questions today, then the hearing will have been a success and with your help, and Mr. Chairman, with your commitment here, I believe we can achieve this goal.

Thank you very much.

Chairman GONZALEZ. Thank you, Mr. Fuster, for an excellent statement.

Dr. Gilderbloom, we certainly appreciate your patience and recognize you.

STATEMENT OF JOHN I. GILDERBLOOM, ASSISTANT PROFESSOR OF SOCIOLOGY, UNIVERSITY OF HOUSTON, HOUSTON, TX

Dr. GILDERBLOOM. It's a wonderful honor to be here in Washington, DC. This is the first time I have given testimony in the House and it's just a tremendous honor to be here, thank you for inviting me here.

Your staff was wonderful in providing assistance for me here. Just a brief background, then I'm going to read the highlights of my testimony, which is about 40 pages.

A brief background. I have written one book on housing and I am coming out with a new book on housing and have won several

national awards for my work from the American Planning Association, the Chapter Award for Outstanding Contribution to Planning, as well as the Samuel A. May Award, a governmental research award for outstanding social science research.

My research has also been published in numerous academic journals concerning housing as well as in popular newspapers and magazines around the country. Currently, I am assistant professor of sociology at the University of Houston.

For many, the American housing dream has turned into a nightmare. Significant numbers of Hispanics as well as blacks and the young have seen the dream recede, replaced by sharply rising housing costs, declining affordability, reduced choice and insecurity of tenure. It is no longer possible to provide decent, secure, and affordable housing for all Americans—as if it were their birthright.

These conditions have resulted in a steady erosion in living standard for many Hispanics while at the same time reducing the number of available housing units. For Hispanics, housing is one of the most important problems they face. When rents rise, Hispanics have few choices but to pay, move, or double up. Each of these alternatives has potentially negative social and economic consequences for tenants.

Opinion research shows that housing is one of the worst problems Hispanics encounter. The problem of adequate and affordable housing is considered more pressing by a wide margin than job opportunities, transportation, schools, or police protection by Hispanics interviewed in a recent Los Angeles Times poll, and is displayed in table 1.

The Government traditionally has determined that a tenant is paying an excessive amount of rent whenever the proportion of a tenant's income going into the rent is more than 25 percent. According to this rule of thumb, more than three-fifths of the Hispanic population are paying more than 25 percent of their income into housing. (See Annual Housing Survey, 1983.)

In addition, according to the latest data available, two-fifths of Hispanic renters pay more than 35 percent of their income into rent, and an incredible one-fourth pay almost half of their family income for rental housing. According to Cushing Dolbeare the problem of Hispanic rental housing is greater than any other racial group. Table 4 illustrates how rental housing cost is particularly severe for those Hispanics with low incomes, indicating that a low income Hispanics making less than \$7,000 pay upward of more than 50 percent of their income into housing costs.

Moreover, between 1970 and 1983, the income rent ratio rose from 21 percent in 1970 to 33 percent in 1983, which means that almost one-half of the Hispanic population is paying more than 33 percent of their income into rents.

Overcrowding, for Hispanics, is a severe problem. Although the annual housing survey data show that the amount of overcrowding in rental units has declined, overcrowding is still a major problem for Hispanics. According to the data, Hispanics still have the highest percentage of overcrowded rental units compared to all renters and blacks. Nationally, one-fifth of all Hispanic rental units can be classified as overcrowded. A recently completed study of Los Angeles tenants—released this July—found that 44 percent of the city's

Hispanics lived in overcrowded units. Only 14 percent of black renters and 6 percent of white tenants were found to be living in overcrowded units. Data also shows that the problem of overcrowding is growing rapidly in numerous cities around the United States.

By most criteria, the current quality of housing in the United States is the best in the world. Since 1940 there has been a sharp reduction in the number of units overcrowded, lacking plumbing or showing signs of structural dilapidation. This improvement in housing appears to have also benefited Hispanics somewhat. The problem of inadequate plumbing in Hispanic rental units continues to improve a little bit. Only 2 percent of the units lack adequate plumbing now for Hispanic renters.

The problem of inadequate plumbing in a rental unit cannot be differentiated by race. On the other hand, Hispanics are twice as likely to live in rental housing that is physically inadequate—especially in terms of heating. The quality of housing is especially bad for Spanish-speaking Hispanics.

In a survey of Los Angeles renter households by UCLA found that 41 percent of the Spanish-speaking renters lived in housing deemed inadequate by Government housing standards. In fact, UCLA found that Spanish-speaking Hispanics live in the worst quality of housing than any other racial group.

Finally, we should note that the kind of rental housing Hispanics occupy is increasingly large-scale apartment units. While historically the bulk of rental housing units was less than four units, increasingly more and more of the rental housing units being built is large 50 or more units per address.

This tendency has important implications for the overall quality of life for Hispanics as well as all renters. And, of course, sociological research has found that large-scale units generally have more crime, less community, greater community dissatisfaction and alienation.

Finally, I'd like to conclude that housing problems often have broad social consequences. Housing after all is much more than shelter. It provides social status, access to jobs, education and other services; a framework for the conduct of household worth and the way of structuring economic, social and political relationships.

Racial segregation in housing, which remains severe, limits educational and employment opportunities for Hispanics even as it forces them to pay more of their income for declining services.

Housing design and locational patterns may reinforce the traditional division of labor within the male dominant family, and in this way housing both reinforces and perpetuates economic and social divisions that exist within the larger society.

Louis Wirth, the late and influential urban sociologists, wrote, "Civilization can be judged, at least to some extent, by the minimum housing conditions which a society will tolerate for its members."

The problem of costly rental housing for Hispanics will only worsen in the future as the Reagan administration sharply cuts back on low and moderate income housing programs aimed primarily at subsidizing the incomes of poor renters and building public housing.

President Reagan has already cut \$26 billion in low and moderate income housing funds from the budget. The pipeline for those needing housing assistance is beginning to run dry with a severe reduction anticipated beginning in 1990.

Coupled with this are demographic projections predicting that during the eighties some 42 million people will reach age 30, compared to only 30 million during the last decade.

Thank you very much. If you have any questions I will be happy to answer them in more detail.

[The prepared statement of Mr. Gilderbloom follows:]

Hispanic Housing in the United States: A Review of Recent Literature *

by

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September 18, 1985

* Lead testimony presented in Washington D.C. to the Congressional Committee on Housing (September 18, 1985) The author wishes to acknowledge the assistance of Nestor Rodríguez and Patricia Fowler in formulating many of the ideas and arguments in this paper. John Gartland and Anthony Greisinger were the hard-working research assistants for this testimony. Without the assistance of the above individuals, this testimony would not have been possible. Thanks again to these people.

INTRODUCTION TO THE PROBLEM

For many, the American housing dream has turned into a nightmare. Significant numbers of Hispanics as well as Blacks and the young have seen the dream recede, replaced by sharply rising housing costs, declining affordability, reduced choice and insecurity of tenure. It is no longer possible to provide decent, secure and affordable housing for all Americans—as if it were their birthright. Partly, this is because of the economic conditions of the post-Vietnam War period: chronic inflation, long term increases in unemployment, high interest rates, stagnation in growth and recurrent deep cycles of decline and recovery. These conditions have resulted in a steady erosion in living standard for many Hispanics, while at the same time reducing the number of available housing units.

The Effects of Rent

Rent can influence the size of households, immediate social relations, schools, job opportunities, health care access and other needs that are spatially located. For Hispanics, housing is one of the most important problems they face.[1] When rents rise, tenants have few choices but to pay, move or double up. Each of these alternatives has potentially negative social and economic consequences for tenants.

Rent as a Source of Poverty

Opinion research shows that housing is one of the "worst" problems Hispanics encounter. The problem of adequate and affordable housing is considered more pressing—by a wide margin—than job opportunities, transportation, schools or police protection. The results of the Los Angeles Times poll is presented below in Table 1. A poll conducted of Santa Barbara, California residents found that 53% of the renters felt their landlords' profits were too high and 44% felt their own

rent was too high (Appelbaum, 1981). Mervin Field (1979) has found in a poll of California residents that 81% of the renters feel that rents are "higher than called for" (see Table 2). As a result, almost 56% of the total population supports rent control, including 73% of the tenants (Table 3).

Table 1

Los Angeles Times Poll: Situations Considered the Most Difficult

A representative cross-section of Los Angeles adults were read a list of situations which people sometimes say are difficult in Los Angeles and asked "which one or two do you think are the worst." Below are the results:

	Latinos	Whites	Blacks
Violence	56%	43%	49%
Housing	47	38	34
Job Opportunities	21	9	35
Transportation	19	37	16
Police Protection	15	12	24
Taxes	12	14	13
Schools	7	24	10
Places to Shop	0	1	2

Source: Los Angeles Times, August 13, 1980, Part 1, page 32

Table 2

Mervin Field Poll of California Residents Views on Rent

Rents charged are...

	Higher than called for	About right	Lower than called for	No opinion
Statewide	60%	24%	2%	13%
Homeowners	47	31	3	19
Renters	81	14	2	3
Los Angeles/Orange	60	20	4	16
Other Southern California	59	28	2	9
San Francisco Bay Area	67	19	1	12
Other Northern California	51	37	*	12

Source: San Francisco Chronicle, June 13, 1979, page 3

Table 3

Mervin Field Poll of California Residents Attitudes toward Rent Control

Rent Control...

	Favor	Oppose	Depends	No Opinion
Statewide	56%	31%	4%	9%
Homeowners	47	38	3	12
Renters	73	20	4	3
Los Angeles/Orange	61	26	4	9
Other Southern California	44	42	6	8
San Francisco Bay Area	62	26	3	9
Other Northern California	51	37	2	10

Source: San Francisco Chronicle, June 13, 1979, page 3

The government has traditionally determined that a tenant is paying an excessive amount in rent whenever the proportion of a tenant's income going into shelter is more than 25% (Comptroller General, 1979).

According to this rule of thumb, more than three-fifths of the Hispanic renter population are paying more than 25% of their income into housing (Annual Housing Survey, 1983). In addition two fifths of Hispanic renters pay more than 35% of their income into rent, and an incredible one-fourth pay almost half of the family income for rental housing (Annual Housing Survey, 1983). According to Cushing Dolbeare (1983:32) the problem of Hispanic rental housing is greatest than any other racial group. Table 4 illustrates how rental housing costs is particularly severe for those Hispanics with low incomes.

Table 4

Median Rent and Income Ratio for Hispanics in 1980

Income	Population Distribution *	Median Rent	Rent/Income Ratio #	Percentage of Hispanics †
\$ 3,000 or less	232	\$179	72+	10%
\$ 3,000-6,999	616	187	47	26
\$ 7,000-9,999	422	222	32	18
\$10,000-14,999	519	249	25	22
\$15,000-19,999	264	274	20	11
\$20,000-24,999	156	296	17	7
\$25,000-34,999	101	327	14	4
\$35,000-49,999	29	362	12	1
\$50,000-74,999	4	393	9-	0
\$75,000 +	6	423	7-	0
Total	2,349			
Median \$9,300		241	27	76%

Percentages don't add up to 100% because of rounding off

* (households in thousands).

Sources: 1980 Annual Housing Survey, Part C, Financial Characteristics of the Inventory; Cushing Dolbeare, "The low income housing crisis." in Chester Hartman (Editor) America's Housing Crisis: What Is To Be Done? (1983) Boston Routledge and Kegan Paul; percentages calculated by proposal authors: John I. Gilderbloom and Nestor Rodriguez

For renters, most of whom are low to moderate income, housing has become one of their most important problems. During the 1970's, rents rose more than tenants' income, resulting in a larger proportion of income being budgeted for rent expenditures—101% vs. 59% between 1970 and 1980 (Hartman, 1983: 17). Where 10 years ago, only two-fifths of all renters paid more than a quarter of their income into rent, by 1980 this figure had risen to 53%, and most certainly is higher today (Dreier, 1982a:143). The Comptroller General (1979) estimates that in 1979, 34 percent (2 million) of the nation's renters paid more than 35% of their income into rent. Moreover, between 1970 to 1983 the rent-to-income ratio increased from 23% to 32% for the average renter in the U.S. (Annual Housing Survey Data, 1983). For Hispanics, the percentage of income going into rent rose from 21% in 1970 to 33% in 1983 accross the United States (Annual Housing Survey, 1983).

According to the Comptroller General (1979), the problem of rental housing affordability has reached such a crisis that in certain cities virtually no affordable housing exists for low and moderate income persons (i.e., Seattle, Minneapolis and Atlanta were places cited).

Moreover, the problem of rising rents relative to incomes is worsening, especially for poor renter families (Dolbeare, 1983:32). Most experts predict that rents will climb even higher in the 1980s. Richard Garrigan, formerly a researcher for the Federal Home Loan Bank Board, reports in the Fall 1982 issue of Real Estate Review:

it is likely that in the near to intermediate future, rents will increase at a faster rate than the rate of increase in personal disposable income...Married couples will seek rental housing because of their diminished ability to purchase homes. It follows that the large numbers of unmarried persons (one-income households who tend to have less than married couples) also will be unable to purchase homes...the demand for rental housing will probably soar in the 1980s. (Rocky Mountain News, September 4, 1982: 19-H)

Another industry prediction from Lewis Bolan, vice president of Real Estate Research Corporation claims that "renters who have grown used to spending less than 25 percent of their income for housing may find that percentage heading up toward 30" (Currier, 1983:A-10). Wes English, editor of the monthly real estate newsletter Sound Advice, projects a "hefty 55 percent three year spurt in apartment rentals" (Dorfinan, 1983: 1B-13).

While there is a significant and growing disparity between renters' and homeowners' incomes, the latter have also experienced serious housing affordability problems. Between 1970 and 1980, the median sales price of existing homes increased by a factor of two and three-quarters, from \$23,400 to \$64,400 (U.S. Congressional Budget Office, 1981). During the same time, mortgage rates on conventionally financed single-family homes rose by over half—from 8.4% to 12.7%. Based on a conventional 30-year loan for 80% of the sales price, monthly mortgage payments tripled over the ten year period—from \$140 to \$558. It is worth noting that while 60% of this increase can be attributed to the increase in sales prices, the remaining 40% is due to the rise in mortgage interest rates. During the same ten-year period, median homeowners' incomes rose only 104% (U.S. Bureau of the Census, 1982c). In 1981, first-time homebuyers represented only 13.5% of the sales market, as compared with 36% in 1977 (U.S. League of Savings Associations, 1982). Research by sociologist John Henretta (1984:131) suggests that a caste system might be evolving in terms of attaining homeownership. Using data from the Panel Study of Income Dynamics, Henretta (1984:133) finds that the probability of children owning a home has a strong positive correlation with parental

ownership. The impact of parental ownership as a prerequisite for children becoming homeowners has become even stronger since 1974 when housing costs began to rise (Henretta, 1984; 134). This might explain why—controlling for income—homeownership of Hispanics is significantly lower than Anglos (Dreier, 1982b). Charles Hohm (1984) has argued that "very few owners of homes today (especially the expensive variety) could buy the homes they are living in if they had to pay the present market value and finance the property with current mortgage rates." During the 1950s approximately 70% of all American families could afford single family housing, today this figure has fallen to fewer than 15% (Hartman, Keating, LeGates, 1982:13). Among homeowners with mortgages, 31% currently pay more than one-quarter of their income on housing-related expenses, while 21% pay more than 35% (U.S. Bureau of the Census, 1981a: Table A-1). High housing costs also spell higher rent levels. According to Jay M. Kaplan, executive vice president of Consolidated Capital Corporation in Emeryville California, "People who can't buy houses are going to be renters and that's good for owners of apartment buildings" (Kinchen, 1982:VIII-30).

Los Angeles is illustrative in this regard where the dream of homeownership has been all but swept away. In order to afford the median priced Los Angeles home of \$114,871 one needs an income of \$43,884 a year in Los Angeles whereas the median household income is only \$28,800—a gap of almost \$15,000 a year (Los Angeles Times (1985:VIII-20). Not included in these calculations, is the estimated \$23,000 needed for the downpayment of the average price house. A report commissioned by Los Angeles Mayor Tom Bradley on the future of

housing in Los Angeles declared:

Many renters must accept the hard reality that they will, of necessity, remain tenants, never being able to afford the substantial down payment and increasing high mortgage payments that homeowners require. Future homeowners, likewise, must accept smaller sized units in higher density lots, often in multiple-story developments. Los Angeles' housing profile in the 1980s will be basically that of a rental community, with ownership options for new owners being available in large part in higher density projects (Boyersky, 1988:V-3).

Los Angeles Times City-County Bureau Chief, Bill Boyarsky (1988:V-3) addressing the housing crisis asked in a opinion page piece headline: **WILL LOS ANGELES' FUTURE MAKE ROOM FOR THE POOR?** What's even worse is that other areas in California like Orange County, Santa Barbara, San Francisco and Marin County have even higher median home prices! In San Francisco the average price for a single family home has climbed to \$147,000 (Chicago Tribune, 1982:3-19).

This reality stands in stark contrast, however, to the expectations of tenants in which a large majority feel they will be able to purchase a home. Alan Haskin's (1983:184) exhaustive survey of Los Angeles County tenants found that for those under 40, two-thirds expected to buy a house some day. Charles Hohn's (1984) survey of over one-thousand San Diego State University students (a working to middle class commuter University) indicated that 94% felt they "will purchase a home sometime in the future." Only 6% felt this was not possible. Of those feeling able to purchase a home a full 69% replied that it would be a single family home. The differences in expectations of homeownership between San Diego and Los Angeles might be explained in part by the lower housing costs of San Diego.

The income of tenants appears to have little to do with this expectation. According to Haskin (1983) for persons under 30, little

difference exists between those tenants making less than \$15,000 (76%) and those making more than \$25,000 (81%) in terms of expecting to buy a home some day (Heskin, 1983:186). Similar conclusions have been made by Morris, Winter and Sward (1984:87) who convincingly show that homeownership is a "widespread cultural norm" regardless of one's income. According to their research age and household size are the best predictors of desire for homeownership (see also Belcher, 1970; Berger, 1960; Hinshaw and Allott, 1972; Michelson, 1966; Morris, Crull, and Winter 1976; Stubbs, 1971; Williams, 1971). Peter Dreier's (1982b:183; see also Michelson, 1977; Perrin, 1977 and Rakoff, 1977) review of research on the status of tenants points to the negative social and cultural images of being a renter in America:

...tenants are viewed as the opposite of homeowners. They "lack a stake in the community" that makes one a "better citizen." They are transient and don't care about or become involved with civic, social, and voluntary activities. Tenants lack the sense of "responsibility"...less "family oriented" and less concerned about the well-being of children...And tenants lack the ambition, enterprise, skill, or other character traits necessary to achieve homeownership.

The stigma "of being a renter" seems to be a major propelling force for the strong desire of homeownership. An opinion survey by the Department of Housing and Urban Development (1978) shows that 85% of the U.S. population prefers owning a home over renting—if given a choice.

Economics is another major reason cited for wanting to buy a home. Unlike homeowners, tenants cannot deduct the interest and taxes they pay (in the form of rent) off their income taxes. This amounts to a substantial subsidy for homeowners—especially wealthy ones. Less than 5% of the value of these deductions go to homeowners

earning less than the median incomes; close to 60% of these tax benefits go to taxpayers who are at the top ten percent in income distribution (Dolbeare, 1983:68). The average tax savings for a homeowner making between \$5,000 and \$10,000 is \$172. This contrasts sharply with homeowners earning between \$50,000 and \$100,000 who receive an average saving of \$3,320 (Dolbeare, 1983:68;) Altogether, tax benefits to homeowners reached \$39 billion in 1982 (Dreier, 1982b:185). Moreover, homeowners build up equity over time and, normally, realize appreciation as well.

Security of tenure is also a major benefit of homeownership. Homeowners with a fixed interest rate mortgage are generally secure in their residence, free to pursue political activity without threat of retaliatory eviction. Renters, on the other hand, are subject to eviction for any reason whatsoever. In many cases this might have come about in retaliation for complaining about housing conditions to the landlord or reporting code violations to the building inspector. This in part, also, explains why the quality of rental housing is inferior to that of homeowners. In other cases, tenants have been evicted for participating in tenants' unions or campaigns for rent control. Less than 10 percent of all renters are covered by some form of "just cause eviction". In general, just cause eviction laws state that tenants can only be evicted for failure to pay rent, vandalism or unlawful activity.

It is for these reasons, that one can argue that tenants—at least in America—are considered "second-class citizens." (Heskin, 1981; 95). According to Dreier (1982b:181):

Prejudice against tenants has long-standing national roots, beginning with the first European settlers in North America. The

stigma is based on the central importance of property ownership in U.S. ideology and values. The achievement of property ownership is believed to bestow on individuals, or be evidence of, certain character traits highly valued in U.S. culture. Despite changes in social structure and values since colonial times, the virtues attached to property ownership (and property owners), and the presumed absence of such virtues among propertyless tenants, have remained remarkably similar over the years. It is one of the few core values that has persisted throughout the more than two centuries.

The rising cost of homeownership has been marked by a recent decline in the total percentage of homeowners. The percentage of U.S. households comprised of renters reached a twentieth century high of 56.4% in 1940. After 1940, this percentage steadily declined to a low of 34% in 1980. Evidence now indicates that this trend is beginning to reverse itself. According to the most recent figures available, the percentage of U.S. units rented has climbed two percentage points between 1980 and 1984 (Kuttner, 1985:26). This figure might, however, understate the growing percentage of renters in the U.S. because of "doubling up".

The decline in homeownership will be further accentuated by a shrinking middle class. As the United States shifts from an industrial base (manufacturing) to a service sector economy (janitors, fast-food and clerical employees), the incomes of workers have fallen, inflating the ranks of the lower class. Stephen Rose estimates that the number of persons in the middle class declined from 55% in 1978 to 42% in 1983—with three fourths of these persons falling below middle class standards. (Minneapolis Star and Tribune, 1983: 4A). The ranks of those below the poverty line have been the highest since 1965 (Mcberg, 1984:6). Future employment trends suggest a boom in low wage jobs and a virtual halt in the growth of high wage jobs—suggesting a movement to a bipolar income distribution (Thurow, 1984; Harrison and

Bluestone, 1984:1-29). Jobs paying annual wages of less than \$13,600 (in 1980 dollars) had the biggest increase in employment opportunities, while work paying annual salaries of more than \$20,250 a year—mostly in manufacturing—grew the least (Harrison and Bluestone, 1984:1-29). Between 1978 and 1981, median rents for the very poorest households—those with median incomes under \$3,000—increased 38%; the corresponding figure for all renter households was 21% (Dolbeare, 1983: 33).

High rents can often be a major cause of tenant impoverishment. When a low income tenant is paying a large portion of his or her income for rent, cutbacks often have to be made on other basic necessities (e.g., food, medical care, clothing and transportation). Stone (1980a) describes this dilemma as "shelter poverty," whereby the high cost of housing makes other basic necessities of life unaffordable. Given Stone's criteria, we estimate that close to three-fourths of the Hispanic renters suffer from "shelter poverty". Stone persuasively demonstrates that for many low and moderate income persons paying even 1% of one's income into housing might be too great if other basic necessities are to be acquired first. The Bureau of Labor Statistics calculates a minimum budget necessary to afford "non-shelter necessities at a minimum level of adequacy" which allows one to reasonably calculate how much a person can afford for shelter as a percentage of income (Stone, 1983:103-5). Using Bureau of Labor Statistics minimum budget for a family of four, he estimates that if tenants' incomes were less than \$11,000 a year, they would have no money to spend on shelter once all basic non-shelter needs were taken care of. Only when family income reaches \$17,500 or more is enough money left to cover all basic "low" budget items, after paying one-

quarter of income into rent. Stone (1983:105) reports that a six-person household would need a total household income of more than \$30,000 to afford 25 per cent of income. He also finds that for families of four earning less than \$15,000 a year, 95% are shelter-poor. Stone (1983:105) estimates that 32 percent of all households in the United States are shelter-poor in 1980; 43 per cent of the tenant households in the United States are paying more than they can afford for housing. Moreover, he (1983:105) calculates overall rise in shelter-poor households increased in the 1970s by 34 per cent (6.4 million households). Particularly hard hit are Hispanics, whose incomes are among the lowest of any ethnic group in the United States.

The problems of affordability are felt unequally by different groups, with female-headed, elderly, minority and farmworker households impacted the most. For example, 72% of all households earning less than \$10,000 pay 25% or more of their incomes for housing, while only 3% of those with incomes of \$50,000 or more pay this much (U.S. Bureau of the Census, 1981: table A-1). Low-income, minority and female-headed households are more likely to be displaced even though their housing options are more limited (U.S. Department of Housing and Urban Development, 1981: 38). Renters are much more likely to be poor or minority than are homeowners. In 1980, median renter household income was 54% that of homeowners, reflecting a substantial deterioration in this ratio from ten years previously, when it stood at 65%. For Hispanic renters the 1980 ratio stood even lower, at 47% (Dolbeare, 1983: 32).

Overcrowding

Although Annual Housing Survey Data (1983) show that the amount

of overcrowding in rental units has declined slightly since 1970, overcrowding is still a major problem for Hispanics. Hispanics still have the highest percentage of overcrowded rental units compared to all renters and Blacks (Annual Housing Survey, 1983). Nationally, one-fifth of all Hispanic rental units can be classified as overcrowded (Annual Housing Survey, 1983). A recently completed study of Los Angeles tenants found that 44% of the city's Hispanics lived in overcrowded units. Only 14% of Black and 6% of White tenants were found to be living in overcrowded units (Hamilton et al., 1985: Exhibit 2-9). Data show that the problem of overcrowding is growing rapidly in numerous cities around the United States (Hamilton et. al., 1985:2-8). The problem of overcrowding in housing was vividly described on the front page of the Los Angeles Times (May 19, 1980) as a major problem for Hispanics:

The room costs \$260 a month and is barely longer and wider than two beds placed end to end. At one time, because of the housing shortage in Los Angeles, eight people—four adults and four children; two unrelated families—called it home. Tables, chairs and beds are crammed so tightly together that there is almost no space for walking or playing. Possessions—blankets, clothes, toys for the children, a T.V., portable stereo—are piled high on every surface, and spill over onto more tables and chairs that line the tiny bathroom. A single unshaded light bulb bounces harsh shadows off the green, gold and purple wallpaper that was someone's whim. It was so crowded when eight people called the room home that one man slept in his car every night, while his wife slept with relatives. The crowding eased a bit last month when the man who slept in his car moved out, taking his wife with him. Now there are only six people crammed into that one-room apartment. They would like a larger place they say. But this was the best they could afford when they were forced out of their much larger \$160 a month apartment because the building was being demolished...The housing buck in Los Angeles stops with low-income families like these. They are the people who are being squeezed against the wall, sometime literally, by low vacancy rates...Their plight cannot be seen from the freeways or even from most city streets. But a wanderer through poorer neighborhoods can find evidence of the plight in the extraordinary number of children on certain blocks in the evening...

Studies of overcrowding in the United States indicate that it can result in negative social, physical and psychological impacts. Pynoos, Schafer and Hartman (1973:4) report that "overcrowding may lead to increased stress, poor development of a sense of individuality, sexual conflict, lack of adequate sleep leading to poor work and school performance, and intrafamilial tensions." Schorr (1963) argues that overcrowding can cause more health problems than the actual quality of the unit. Mark Baldassare (1979:118) reports (based on data from the Institute for Social Research national survey of metropolitan areas) that overcrowding can lead to poor marital relations. Of the studies done so far that attempt to measure the impact of overcrowding on individuals, the most methodologically sophisticated and sound is the recent work of sociologists Walter Gove, Michael Hughes and Omer Galle (1979:59-80). Using regression techniques to control for other intervening variables, they find that overcrowding within the home is "strongly related to poor mental health, poor social relationships in the homes, and poor child care; and are less strongly but significantly related to poor mental health, poor social relationships outside the home." They further note that taken together the three crowding variables explain more of the variance than the combined impact of sex, race, education, income, age and marital status. Research by Booth and Edwards (1976:308) finds that "household congestion" has a small positive impact on the incidence of sibling quarrels and number of times parents have hit their children.

As the cost of housing and rentals rises along with cut-backs in government aid, family size and work force participation will be affected. Sociologist Charles Hohm (1984) argues that housing costs

which have led to record down payments and monthly mortgages are increasingly requiring two incomes in order to afford ownership of a house. Consequently, in many cases young couples are deliberately choosing to limit the size of their families—in some cases choosing to go childless altogether. Using Annual Housing Survey data, Myer (1983) finds that despite spiraling housing costs American families were able to maintain the high rate of homeownership by full-time employment of the wife and reduced fertility rates (see also Rudel, 1984). Hohn's (1984) survey of San Diego State University students found that 48% indicated they would limit fertility in order to attain homeownership. High housing costs are also forcing young adults to live longer at their parents than in the recent past (Heer, Hodge and Felson, 1985). Of course, the problem is a basic condition in undocumented Hispanic families, where Hispanic immigrants develop multi-family households as an economic survival strategy (Browning and Rodriguez, 1985).

Disruption of Social Networks

Moving is the final alternative tenants have when they can no longer afford their rents. Lack of residential security is also a growing problem. According to recent government estimates, 600,000-850,000 households—some 7-2.4 million persons—are forced to move each year because of private market activity. Over 40% of such moves are attributable to increased housing costs, with the sale of the building accounting for another 23% (U.S. Department of Housing and Urban development, 1981: 25-26). Breaking down mobility data by race, Hispanics spend the shortest amount of time in a residence (Hamilton, 1985: Exhibit 2-7).

Social scientists found that when low and moderate income persons

are forced to leave their homes and neighborhoods they may suffer psychologically. Loss of community or reference groups can jeopardize a person's well being, especially if they are poor (Harvey, 1973:82-86; Fried, 1963; Wechsler, 1961). Depression is correlated with sudden shifts or changes in social organization of a neighborhood. According to Harvey (1973:85), "low income groups, for example, often identify closely with their housing environment and the psychological costs of moving is to them far greater than it is to the mobile upper middle class."

While tenants are most vulnerable to being forced out of their homes, homeowners are increasingly threatened by mortgage foreclosures and loss of home. Residential mortgage delinquencies are now at a thirty-year high, with an estimated 140,000 homes in the process of foreclosure (Brooks, 1982). In the first half of 1982, one out of every 400 mortgages was foreclosed (Gulino, 1983; Mariano, 1983), while for the first quarter of 1985, 6.2% of all mortgage loans in the nation were 30 days or more past due—the highest rate since this information was first recorded in 1953 (Williams, 1981; Teeley, 1981; Houston Post, 1985: 5C). Foreclosures, of course, reflect regional economic conditions as well as the national business cycle, and therefore are considerably higher in high unemployment areas such as the Midwest, where the rate was 7.8% (*Ibid.*). Fried (1963) reports that a person's mental health is threatened, if not adversely affected, when an individual is forced to move from his or her dwelling unit:

The feeling of painful loss, the continued longing, the general depressive tone, frequent symptoms of psychological or social or somatic distress, the active work required in adapting to the

altered situation, the sense of helplessness, the occasional expressions of both direct and displaced anger and tendencies to idealize the lost place.

Fried found that 46% of the women and 38% of the men gave evidence of a fairly "severe grief reaction or worse." In his interviews with displaced residents, Fried reports the following remarks: "I had a nervous breakdown... I threw up a lot... I felt like taking the gas pipe..." Depressive disorders might result when an individual is forced to leave the community or home through which he or she acquires a sense of self esteem (Angrist, 1974:499):

This critical link between relationships with people and well-being is also substantiated in other ways. Social interaction may be considered a pervasive source of reinforcement, and in situations relatively free of constraints, sustained interaction over time among one or more persons indicates satisfaction...When moving disrupts patterns of interaction, the result is a decline in satisfaction and hence in well-being.

Homelessness, the extreme outcome of displacement and shortages of affordable housing, has become a significant problem in many places. The problem of homelessness has been the highest since the great depression (Green Bay Press Gazette 1983:A-10). Recent estimates for the New York city area indicate as many as 100,000 homeless, while the figures for Los Angeles suggest a maximum of almost 40,000 and in California as a whole up to 90,000 (U.S. Department of Housing and Urban Development [HUD], 1984: 14; Herbers, 1985:11; Turpin, 1985: VIII-1). While the recent HUD study estimates a national homeless population of 250,000-350,000 (*Ibid*: 19), this figure almost certainly underestimates the actual amount by a considerable degree. Previous estimates have placed the figure at closer to 2 million (*Ibid*: 9). Robert Hayes, attorney with the Coalition for the Homeless, argues "the housing availability for the poor is going from bad to worse.

The housing availability for the very poor is nonexistent." (Herbers, 1985:11).

The Quality of Hispanic Housing

By most criteria, the current quality of housing in the United States is the best in the world (Hartman, 1983:17). Since 1940 there has been a sharp reduction in the number of units overcrowded, lacking plumbing or showing signs of structural dilapidation (Hartman, 1983:17). This improvement in housing appears to have also benefited Hispanics. The percentage of units lacking some plumbing has fallen from 7% in 1970 to 2% in 1983 (Annual Housing Survey, 1983). The problem of inadequate plumbing in a rental unit cannot be differentiated by race. On the other hand, Moore and Pachon (1985:81) note that "Hispanics are twice as likely to live in housing that is physically inadequate—especially in terms of heating. The quality of housing is especially bad for Spanish speaking Hispanics. In a survey of Los Angeles renter households, Heskin (1983) found that 41% of the Spanish-speaking renters lived in housing deemed "inadequate" by government housing standards. Finally, we should note that the kind of rental housing Hispanics occupy is increasingly large scale apartment units (Annual Housing Survey, 1983). While historically the bulk of rental housing units was less than 4 units at each address increasingly more and more of the rental housing units being built is large 50 or more unit structures. This tendency has important implications for the overall quality of life for renters. Sociological research has found that large scale rental units generally have more crime, less community, greater community dissatisfaction and alienation (Newman, 1980; Angrist, 1974).

Conclusion

It is important to realize that housing problems often have broad social consequences. Housing, after all, is much more than shelter. It provides social status, access to jobs, education and other services; a framework for the conduct of household work; and a way of structuring economic, social and political relationships. Racial segregation in housing, which remains severe, limits educational and employment opportunities for Hispanics even as it forces them to pay more of their income for declining services (Taeuber, 1975). Housing design and locational patterns may reinforce the traditional division of labor within the male-dominant family, foster unpaid work in the home, and restrict opportunities for female labor-force participation (Saegert, 1981; Rothblatt *et al.*, 1979). In this way, housing both reinforces and perpetuates economic and social divisions that exist within the larger society.[2]

Louis Wirth (1947:139) writing in the *American Sociological Review* on "Housing as a Field of Sociological Research", stated that "civilization can be judged, at least to some extent by the minimum housing conditions which a society will tolerate for its members." The house is an important symbol of self that reflects the status of an individual (Cooper, 1971:12):

The house as symbol-of-self is deeply ingrained in the American ethos (albeit unconsciously for many), and this may partly explain the inability of society to come to grips with "the housing problem"—which is quite within technological and financial capabilities to solve and which it persistently delegates to a low level in the hierarchy of budgetary values. America is the home of the self-made man, and if the house is seen (even unconsciously) as the symbol of self, then it is small wonder that there is a resistance to subsidized housing or the State providing housing for people. The frontier image of the man clearing the land and building a cabin for himself and his family is not far behind us. To a culture inbred with this image, the house-self identity is particularly strong. Little wonder then that in some barely conscious way, society has decided to penalize those who,

through no fault of their own, cannot build, buy or rent their own housing. They are not self-made men.

The home is the cornerstone of the American dream. It is a sanctuary from the pressures of work, a haven from the intrusions of government. The home is the place where the rewards of private life are to be enjoyed, secure from all outside pressures.

The problem of costly rental housing will only worsen in the future as the Reagan administration sharply cuts back on low and moderate income housing programs aimed primarily at subsidizing the incomes of poor renters and building public housing. President Reagan (In These Times, 1984: 8) has already cut 26 billion in low and moderate income housing funds from the budget. The pipeline for those needing housing assistance is beginning to run dry; with a severe reduction anticipated beginning in 1990 (Herbers, 1985:Y-1). Coupled with this are demographic projections predicting that during the 80's some 42 million people will reach age 38, compared to only 38 million during the last decade.

Introduction

1. Ironically, despite the importance of housing as a major Hispanic problem and issue, very little research has been done in this area. A survey of the literature indicates that no books have ever been written on the topic, and only a paucity of research monographs and journal articles. Most academic books on housing do not discuss Hispanic housing as a separate category; the small percentage of books that do dedicate only a few pages to the topic. We did a selective survey of housing books to determine the number of pages specifically discussing Hispanics (other keywords used were Chicanos, Mexican-American and Latino). Below is a list of the books surveyed with the total length of the book and the number of pages where Hispanics are mentioned:

Title:	Total Pages	Pages discussing Hispanics
Rent Control by Herbert Selzerick Lexington, MA: Heath 1976	117	0
Cities and Housing by Richard Roth Chicago: University of Chicago Press 1969	305	0
Housing and Social Policy by Chester Hartman. Englewood-Cliffs, New Jersey: Prentice-Hall 1975	184	1
America's Housing Prospects and Problems by George Sternlieb and James Hughes. Rutgers, New Jersey: Center for Urban Policy Research 1980	342	1
Resolving the Housing Crisis edited by M. Bruce Johnson. Cambridge, MA: Ballinger 1983	436	3
Housing in Transition by Mildred Rose. New York: Holt, Rinehart and Winston 1983	371	0
Housing in America: Problems and	327	0

Prospects by Daniel Mandelker and
Roger Montgomery. Indianapolis:
Bobbs-Merrill 1973

Rental Housing in the 1980s by Anthony Downs Washington D.C.: Brookings Institute 1983	202	0
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Housing Investment in the Inner City by Michael Stegman. Cambridge: MA: MIT Press 1972	209	0
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The Tenant Landlord by George Sternlieb. Rutgers: Urban Studies Center 1966	269	0
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Community of Interest by Oscar Newman Garden City, New York: Anchor Press/Doubleday 1968	356	0
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Totals	3,952	7
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The same is true of books on Hispanics. The fault lies partly with the lack of data available to academics. For the most part, data on Hispanic housing is spotty, anecdotal and non-systematic. We did a selective survey of books on Hispanics and found that very little attention is paid to the issue of housing. We did this by counting the total number of pages in each book and the number of pages on housing.

Titles	Total Pages	Pages Discussing Housing
Hispanics in the U.S. Economy edited by George Borjas and Marta Tienda. New York: Academic Press 1985	349	1
Latin Journeys: Cuban and Mexican Immigrants in the United States by Alejandro Portes and Robert L. Bach Berkeley, CA: University of California Press 1985	367	1
Hispanics in the United States by Joan Moore and Harry Pachon Englewood Cliffs, N.J.: Prentice- Hall 1985	201	3

East Los Angeles by Ricardo Romo. Austin, TX: University of Texas Press XXX	211	5
By the Sweat of their Brown: Mexican Immigrant Labor in the United States by Mark Reisler. Westport, CT: Greenwood Press 1976	288	6
The State of Chicano Research in Family, Labor and Migration edited by Armando Valdez, Albert Camarillo and Tomas Almaguer Stanford, CA: Stanford Center for Chicano Research 1983	239	2
Mexican Immigrants and Southern California: A Summary of Current Knowledge by Wayne Cornelius, Leo Chavez and Jorge Castro. San Diego, CA: University of California Center for U.S. Mexican Studies 1982	99	3
Work, Family, Sex Roles, Language by Maria Bacerra, Alberto Camarillo and Francisco Hernandez Berkeley, CA: Tonatiah-Quinto Sol International 1980	287	2
A Comprehensive Chicano Bibliography: 1968-1972 by Jane Mitchell Talbot and Gilbert Cruz Austin, TX: Jenkins Publishing Company 1973	334	2
The Mexican American People: The Nation's Second Largest Minority by Leo Gebler, Joan Moore and Ralph Guzman. New York: The Free Press 1978	678	22
Total	2,295	38 (18)

Authors note: Table on Hispanic oriented books prepared by Nestor Rodriguez.

2. History has shown that severe shortages in low income housing can eventually lead to urban unrest. This is persuasively demonstrated in

Roger Friedland's (1982:162) comprehensive study of black urban unrest during the 60s which left 100,000 arrested; 10,000 injured; and 300 dead found that "local public policies played an important role in conditioning the city's level of black political violence."

Conducting a regression analysis to discover determinants of aggregate riot severity in United States cities, Friedland finds that--all else being equal--amount of urban renewal and lack of low rent housing relative to demand were positively correlated with riot severity.

Between 1949 and 1974 Urban renewal demolished 500,000 low income housing units; only 100,000 units were replaced and most of these were for middle income people rather than the poor (Shipnuck, Keating and Morgan, 1974). Even traditionally conservative observers anticipate "a major housing calamity," as one of the rental housing industry's most prominent spokesman put it (Preston Butch, co-chair of the National Multi-Housing Council, as quoted in Betz, 1981: VIII, 23).

During the seventies and early eighties, tenants responded to the affordability crisis by demanding rent control in a growing number of communities across the United States. Rent control has become the principal organizing strategy of most tenants' unions, who see in this issue a concrete demand with immediate and tangible results. The past few years have witnessed the creation of hundreds of locally based tenants' unions, statewide organizations in California, Michigan, Massachusetts, New Jersey, Texas, and Illinois as well as a National Tenants' Organization (see Dreier, Gilderbloom and Appelbaum 1980; Dreier and Atlas, 1980). Roughly 130 cities and counties in the United states currently have some form of rent regulation, including over 100

municipalities in New Jersey, as well as cities and counties in Massachusetts, New York, Virginia, Maryland, Alaska, Connecticut, and California. Over half of all rental units in California, for example, are presently rent controlled; an estimated 10% of the nation's housing stock covered by some form of rent control.

Santa Monica provides an interesting case study of the kinds of political and economic gains tenants can win by organizing themselves as a collective force. Up until 1978, Santa Monica was run like most other American cities; a local growth machine made up of the local newspaper, banks, real estate interests and commercial interests had the final say on most political matters—especially development issues (Molotch, 1976). Political analysts could safely label the town as conservative.

When rising rents became an issue, tenants organized to put rent control on the ballot. The first time the issue was voted on, rent control proponents lost by a narrow margin. Aside from the fact that the tenants' pro-rent control campaign was poorly funded and organized, landlords were able to successfully argue that rent control was not the answer to tenant woes, but Proposition 13 which cut landlord taxes by at least half was the answer. When Proposition 13 failed to deliver the promised reduction in rents, rent control was again put on the ballot for a second time and victory for the renters coalition soon followed. After the rent control ordinance was put on the books, a slate of pro-rent control candidates were elected to the city's rent control board and City Council. The central theme of these victorious candidates was to defend the rent control law from landlord court challenges.

The renters who wrested control of the city council from the city's conservative pro-business faction, won not just rent control by itself but a progressive political program that would have tangible benefits for the city's tenants who make up from 70 to 80% of the population. It was this progressive political program that spoke to the needs of tenants and inspired them to vote. According to Derek Shearer, campaign coordinator for the victorious Renters Rights Coalition:

I think it shows that the vote for Reagan was not a conservative vote. It was a vote against inflation and wishy-washy, middle of the road, Carter-type Democrats. When Democrats and local activists ran on a progressive program very clearly spelled out, there was a lot of support for it. (Cockburn and Ridgeway, 1981).

For the renter's rights coalition, a politically progressive platform ~~on the local level~~, campaigned for rent controls, cooperative housing, limited commercial expansion, inclusionary zoning programs, farmers' markets, food cooperatives, neighborhood anti-crime efforts and controls on toxic wastes.

Tenants have also been instrumental in electing progressive candidates in other parts of the country. In March of 1981 the voters of Vermont's largest city, Burlington, voted out of the Mayor's office a five term conservative Democrat and elected Bernard Sanders, a self proclaimed "socialist". Sanders focused on the basic issues confronting Burlington's heavy blue collar population: high rents, unchecked development, property taxes and neighborhood preservation. Sander's victory was largely attributed to his pro-tenant stand which drew together a coalition of tenants, senior citizens, municipal unions and liberal homeowners. During the election Sanders appealed to

their votes by proclaiming:

We have a city that is trying to help a developer build \$200,000 luxury waterfront condominiums with pools and health clubs and boutiques and all sorts of upper middle class junk blocks away from an area where people are literally not eating in order to pay their rent and fuel bills...The issue here is that people have been exploited, thrown out of houses. In Burlington a tenant has no rights at all. Hundreds of people have been forced to move from apartments in Burlington because of rent increases. It's about time tenants have legal protection. (McKee, 1981:8).

Similar kinds of appeals to the "tenant vote" have been successfully used in electing David Sullivan to the Cambridge City Council and Peter Shapiro to the powerful position of Essex County Executive in New Jersey (Krinsky, 1981:10; Atlas and Dreier, 1981:8). Shapiro was recently defeated the Democratic candidate for Governor of New Jersey for 1985. More recently, the successful election of Mayor Ray Flynn in Boston was won, in part, on the basis of a strong pro-tenant identification. Peter Dreier, whose academic and political work with tenant organizing and legislation is well known, was one of Flynn's chief campaign organizers and is now a top aid of Mayor Flynn.

Tenants have also played a role in pushing through reforms in archaic landlord/tenant laws. This has been especially true in New Jersey, which has the most progressive landlord/tenant law in the United States today. Through the efforts of the 60,000 dues paying members of the New Jersey Tenants Organization over 100 cities currently have rent control (Atlas and Dreier, 1981:34). The N.J.T.O. has pushed through numerous pro-tenant laws on security deposits, eviction for just cause, receivership, state income tax credits and landlord disclosure of ownership. Victories in passing pro-tenant legislation have contributed to the continual growth of the N.J.T.O.

John I. Gilderbloom Assistant Professor of Sociology, University of Houston. For ten years, I have been conducting research on the dynamics of housing markets and, from this analysis, making housing policy recommendations. In the past, I have worked for numerous local, state and national governments as a consultant on housing policy and have briefed several Presidential hopefuls on the condition of housing and appropriate federal action. My major research thrust is to develop a comprehensive theory of how housing markets operate and appropriate government policy to meet the elusive goal of decent and affordable housing for all citizens. A major theme of this work is to develop an understanding of how ethnicity plays a role in the determination of housing choice, condition and cost. For example, my research has challenged the popular claim that the presence of minorities lowers housing valuation (see Gilderbloom, 1983, Appelbaum and Gilderbloom, 1983; Gilderbloom, 1985).

~~Another theme in my research has been to document the extent of landlord~~ discrimination against low income persons, especially minorities, in rental housing markets (see Gilderbloom, 1985; Gilderbloom and Appelbaum, 1986). If the present research proposal is funded, a major book on Hispanic housing in the United States should emerge. My research on housing has been published in Urban Affairs Quarterly, Urban Analysis: An International Journal, Journal of Applied Behavioral Science, Fair Housing Forum, American Association of Housing Educators, Urban Life, and the Los Angeles Times. I am the editor of Rent Control: A Source Book (third printing) and co-author of the soon to be published Dreams and Nightmares: America's Housing. My work in housing has received Honorable Mention awards in public policy research from the Western Governmental Research Association and the Samuel A. May Award. Additionally, the American Planning Association presented me with a Chapter Award for Outstanding Contribution to Planning in 1982. My most recent award was the 1983 Douglas McGregor Memorial Award for excellence in behavioral science research.

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Chairman GONZALEZ. Thank you. I have had a chance to examine your prepared statement, and it's most valuable. It's comprehensive and very basic. I believe there was sometime, about a year and a half ago or so, that the then Deputy Secretary of HUD Abrams came out and made a fantastic statement that if Hispanics live in overcrowded situations, it was because they just loved to do so. [Laughter.]

They just like to be crowded.

Do you find in your research that there is a proclivity on the part of Hispanics, per se, for overcrowdedness? True, I think one thing is that the family unit has tended to be far more stabilized, I believe, among the Hispanic community, meaning that, if possible, the sons or daughters will keep grandpa and grandma at home instead of a nursing home. But that is disappearing, I find.

The younger generation of Hispanics are no different from any other segment, and they have the same problems, economically speaking, just sheer inability.

But I just wonder if there is such a thing as a relationship between this rather absurd statement on the part of Abrams and any kind of statistical count that would reveal maybe that there is some factor that accounts for it—for the greater rate of overcrowdedness among the Hispanics than the average.

Dr. GILDERBLOOM. The problem is severe for Hispanics—especially non-English-speaking Hispanics. According to the Los Angeles Times:

The room cost \$260 a month and is barely longer and wider than two beds placed end to end. At one time, because of the housing shortage in Los Angeles, eight people—four adults and four children, two unrelated families—called it home. Tables, chairs and beds are crammed so tightly together that there is almost no space for walking or playing. Possessions—blankets, clothes, toys for the children, TV, portable stereo—are all piled high on every surface and spill over onto more tables and chairs that line the tiny bathroom. A single unshaded light bulb bounces harsh shadows off the green, gold and purple wallpaper that was someone's whim. It was so crowded when eight people called the room home, that one man slept in his car every night while his wife slept with relatives. The crowding eased a bit last month when the man who slept in his car moved out, taking his wife with him. Now there are only six people crammed into that one room apartment. They would like a larger place they say. But this was the best they could afford when they were forced out of their much larger \$160 a month apartment because the building was being demolished.

The housing buck in Los Angeles stops with low-income families like these. They are the people who are being squeezed against the wall, sometimes literally, by low vacancy rates. Their plight cannot be seen from the freeways or even from most city streets. But a wanderer through poorer neighborhoods can find evidence of the plight in the extraordinary number of children on certain blocks in the evening.

People don't want to live in overcrowded units. Lots of sociological research and psychological research indicates that it hurts school performance, hurts marital relationships; it has even a harmful effect on one's mental health. People need space. They need larger occupied units.

In my testimony, I go into quite a lot of detailed documentation to make this argument.

Chairman GONZALEZ. Yes. I had read the specific case you referred to printed in the Los Angeles Times. The single room for \$250. Frankly, I can duplicate that today almost to the identical number of persons in one room in my own district, right within the shadow of city hall in San Antonio. In some further out areas, still

pretty much in the center of town today, you have an occupancy of some abandoned motels. They used to be motels. Some of the first motels that were constructed in San Antonio way back during the depression and immediate postdepression period when motels began to crop up.

There you will see many of the illegal Salvadorans, Mexicans, Guatemalans, and for \$300 a month, one of those flimsy—which really should have been condemned long ago by the city officials—motel rooms as housing. In one case that I visited, a family of nine was paying \$300 for that. And I thought, above all, it was a very, very dangerous fire hazard, if nothing else.

But from a health standpoint, particularly, in view of the fact you had a 15-year-old female and a 13-year-old female, and just impossible to have any kind of a normal rearing.

Dr. GILDERBLOOM. Yes.

Chairman GONZALEZ. But yet, what's reported here in Los Angeles, I can duplicate right here today in San Antonio or Houston.

Dr. GILDERBLOOM. Or New York or Chicago or San Francisco.

You asked for an explanation of this. I think it is just simply limited income, limited opportunities. If you see again, table 4, there are, indeed, amazingly enough, families who, in fact, make less than \$7,000 and are living off of that. And when you find out that they are paying an average of, say, \$187 a month, 50 percent then of their income is going to rent, and they have no choice but to double up. Overcrowding results from limited incomes. It is simply false to believe that people choose to live in overcrowded units because they want to.

Chairman GONZALEZ. Well, frankly, I have never seen how a nation has so tolerated the kind of President and the utterances that have come out of his lips. We had some of the most extensive hearings on the homeless. As a matter of fact, for the first time in the history of any committee, we took a hearing of this Housing Subcommittee over to the shelter that was provided for the homeless. And there is no question about it. We had at that point, close to 1,000 being sheltered there, and about 9 days after the hearing, the President came out and made the statement that if anybody in America was homeless, it was because of his own choice; the homeless were homeless because they wanted to be homeless.

Now this is our national leader, and he gets away with these things.

Teflon isn't even an adequate word to discuss that. [Laughter.]

And then we find ourselves on the defensive in the Congress under that kind of an assault. In the winter you have people going out on the street right here in Washington, and you have the national leader saying, well, it's their own fault; if anybody is homeless, it's because they want to be.

So we do have that phenomena. I doubt seriously that 30 years ago, that would have been tolerated in our country. I know it wouldn't have. But today, it is another world, and we can bring out all these horror stories and statistics. But the fact remains that we are getting a little bit, perhaps none at all, attention, as a matter of priority on this acute problem.

So I just hate to confess my frustration, but that is what we are facing on this level for those of us who have had hearings and have

gone out into the field into every single main regional area of this country—rural and urban, clearly see from the testimony presented as irrefutable testimony, not because we want to see it, but because that is what we see. We would rather not hear it. We'd like to believe it isn't so. But the facts are that it is so. It is a fact we have a crisis in shelter in this country.

And I just want to thank you very much, but I think that ultimately we will win.

Dr. GILDERBLOOM. There is going to be a movement in this country for housing reform and housing ownership.

Chairman GONZALEZ. Well, there is no question in my mind, after visiting some of these dense areas. As a matter of fact, I had planned to have a visit in the very area in Philadelphia that was bombed out by a helicopter. Now one would never think that would happen in our country. That is something we see in Third World countries. It is happening here. I know, as a matter of fact, that you can't have this. All history shows no society can tolerate this before something happens.

What I am concerned about is, how it happens. Yes, eventually, there will be momentum, but then it will be perhaps through social disorder which I feel is not envitable. I feel that something can and should be done, so that it can be channeled into creative and constructive results rather than reaching a point of decision after crisis and destruction and social disorder and violence.

So there is no question in my mind that we are headed that way. Nothing is being done to ward it off. It is just a question of when and under what circumstances.

Common events have cast their shadow already.

The situation in Philadelphia is a very fine example. The idea that we would tolerate a helicopter bombing out hapless and helpless children and adults, no matter how undesirable their conduct might have been. If we reach that point in America, then we should not be surprised if we reach the day of reckoning, at which point then, we will be reacting rather than anticipating and trying to have some kind of anticipatory action.

I guess I shouldn't be too pessimistic. The country has survived wars, civil wars, pestilence, and ought to survive Ronald Reagan. [Laughter.]

But I don't know. Anyway, I have taken more time than I should have.

Gentlemen, do you have any questions?

Mr. FUSTER. No, Mr. Chairman, but I would like to thank Dr. Gilderbloom for his very thorough and useful statement and comments. I think that he has provided some very important and critical basis for our concerns and our own perceptions that we are dealing with a very grave national problem.

Thank you, Dr. Gilderbloom.

Chairman GONZALEZ. Mr. Garcia.

Mr. GARCIA. We received your statement, Dr. Gilderbloom, after you started to read it, or read from it. But there are a couple of things you said during the course of your presentation that you summarized in the statement.

It is very lengthy, but I feel personally that there are a number of things in the statement that I am going to hold onto.

You mentioned the city of Los Angeles spent \$1½ million for that survey.

Now, you are in the Southwest?

Dr. GILDERBLOOM. Yes.

Mr. GARCIA. And you deal mostly with that region of the country.

I would like to know what you can tell us about the Northeast.

Dr. GILDERBLOOM. Because of time constraints, I could not break down these members by region, but I will add them to the testimony I have submitted.

The problem with the issue of Hispanic housing and why it doesn't get enough attention nationally is the lack of data and consequently little is written about it. I cite in my testimony all the major books that have been done on housing policy, and you can see here that, taking the major national books, only 7 pages out of, roughly 4,000 pages discusses Hispanic housing.

When we look at Hispanic books dealing with their problems, we came up with only 30 pages concerning themselves with the issue of Hispanic housing out of the 2,200 pages examined.

We did a thorough search. In a way, John Valencia, who I worked with, I said I am rather embarrassed there isn't all this much. We did a thorough review of everything we could find, but there is not even a major book that has ever been done on Hispanic housing.

I could count 25 books that have been done on black housing, but nothing has been ever done which focuses on the needs of Hispanic housing.

So when I point out Los Angeles, it is because they funded a nice study there. Unfortunately we have to be selective.

Peter Marcuse from Columbia University might be a good bet.

[The following tables were subsequently received for insertion in the record:]

TABLE 1

GROSS RENT AS PERCENTAGE OF INCOME

*	ALL				BLACK				HISPANIC			
	'83	'70	'83	'70	'83	'70	'83	'70	'83	'70	'83	'70
US	TOTAL		Central City		TOTAL		Central City		TOTAL		Central City	
25	.55	.36	.60	.40	.61	.43	.64	.45	.59	.36	.60	.38
35	.35	NA	.40	NA	.41	NA	.44	NA	.42	NA	.43	NA
50	.22	NA	.25	NA	.27	NA	.29	NA	.26	NA	.28	NA
60	.16	NA	.19	NA	.21	NA	.22	NA	.19	NA	.25	NA
NE												
25	.56	.36	.59	.37	.64	.43			.64	.38		
35	.37	NA	.40	NA	.43	NA			.49	NA		
50	.23	NA	.26	NA	.26	NA			.33	NA		
60	.17	NA	.19	NA	.19	NA			.26	NA		
MW												
25	.54	.36	.60	.39	.65	.45			.64	.31		
35	.35	NA	.41	NA	.49	NA			.47	NA		
50	.22	NA	.27	NA	.33	NA			.31	NA		
60	.17	NA	.21	NA	.26	NA			.24	NA		
S												
25	.50	.35	.56	.40	.57	.41			.51	.33		
35	.31	NA	.37	NA	.36	NA			.36	NA		
50	.18	NA	.22	NA	.24	NA			.22	NA		
60	.14	NA	.17	NA	.19	NA			.18	NA		
W												
25	.60	.41	.65	.45	.67	.49			.60	.37		
35	.38	NA	.41	NA	.45	NA			.40	NA		
50	.23	NA	.26	NA	.29	NA			.21	NA		
60	.17	NA	.20	NA	.21	NA			.15	NA		

Key: *: Gross rent as a percentage of income: 25 = percentage of households paying more than 25% of more of their income into rent; 35 = percentage of households paying more than 35% or more of their incomes into rent; 50 = percentage of households paying more than 50% or more of their incomes into rent; 60 = percentage of households paying more than 60% or more of their incomes into rent.

US: United States

NE: Northeast

MW: Midwest

S: South

W: West

Source: Annual Housing Survey, 1983, A, General Housing Characteristics for the United States and Regions: 1983 Washington D.C.: Department of Housing and Urban Development, U.S. Government Printing Office.

TABLES: A-8, A-10, F-8, A-2, B-2, C-2, D-2, E-2 F-10

TABLE 2

Gross Median Rent as Percentage of Income

		ALL		BLACK		HISPANIC	
		1983	1970	1983	1970	1983	1970
U.S.	Central City	31	21	33	23	33	21
p.41	Total	32	23	32	23	32	20
N.E.	Central City	30	20				
p.61	Total	29	20	Total 32	23	35	21
M.W.	Central City	31	21				
p.92	Total	28	20	Total 36	23	34	18
S.	Central City	29	22				
p.123	Total	27	20	Total 30	23	29	20
W.	Central City	32	24				
p.154	Total	30	22	Total 33	26	32	21

US: United States
 NE: Northeast
 MW: Midwest
 S: South
 W: West

Source: Annual Housing Survey, 1983, A, General Housing Characteristics for the United States and Regions: 1983 Washington D.C.: Department of Housing and Urban Development, U.S. Government Printing Office.
 TABLES: A-8, B-2, F-10, C-2, F-8, D-2, A-2, A-10

TABLE 3

GROSS RENT	SPECIFIED RENTER OCCUPIED (MEDIAN)					
	ALL		BLACK		HISPANIC	
	1983	1970	1983	1970	1983	1970
U.S.						
Total	\$315	\$100	315	100	311	96
Central City	\$308	\$107	303	107	303	96
N.E.						
Total	\$316	\$110	271	100	299	101
Central City	\$302	\$106				
M.W.						
Total	286	110	274	101	270	107
Central City	276	100				
S.						
Total	304	93	240	80	326	83
Central City	308	97				
W.						
Total	362	119	335	102	327	98
Central City	359	118				

US: United States
 NE: Northeast
 MW: Midwest
 S: South
 W: West

Source: Annual Housing Survey, 1983, A, General Housing Characteristics
 for the United States and Regions: 1983 Washington D.C.: Department of
 Housing and Urban Development, U.S. Government Printing Office.
 TABLES: A-2, D-2, A-10, B-2, E-2, F-10, C-2, A-8, F-8

Mr. GARCIA. I don't want to belabor it because we have got a number of witnesses, but I happen to think many of the statistics that you cited from the Los Angeles metropolitan area probably coincide, even though it is a different type of community in the sense that the lifestyle is different.

Dr. GILDERBLOOM. Sure.

Mr. GARCIA. But I think there is a great deal of similarity.

I thank you very much. We are happy to have you, and I think you do a tremendous service to those trying to get housing.

Chairman GONZALEZ. If you will yield to me at this point?

Mr. GARCIA. Sure.

Chairman GONZALEZ. In 1981, there was still in existence what was known as the National Hispanic Housing Coalition. It was one of the most inspiring associations and really the only viable national Hispanic association that I have ever seen in Washington on a truly national basis, when we talk about national organizations.

But Mr. Pierce, Sam Pierce, hadn't been Secretary 6 months before he eliminated it. It was one of his first acts.

They did a tremendous job of compiling for the first time up-to-date statistics and gathered it over a period of about 3 years, if I remember correctly. They were able to live through some grants that they had obtained under the Carter administration through HUD.

But as I said, and repeat, I could never succeed in convincing Mr. Pierce to meet with the leaders of that group. He steadfastly refused. He was just absolutely inaccessible.

So they went out of existence. But I think we are going to hear today from a gentleman that was associated with them, or at least associated closely, later.

But either before or since then, no one had really concentrated in this specialized area.

Also, it might interest you to know that the Secretary of HUD, Mr. Pierce, just this spring during a hearing wasn't aware that there was such a thing as an annual housing survey that his department paid for.

So this is what we confront.

The group in 1981, before it went out of business, did print a very, very thorough and very professional study, specifically with respect to the housing needs of Hispanics or the housing problems of Hispanics.

I thought the record ought to show that.

Dr. GILDERBLOOM. I would also like to add, I look forward to the proceedings of this hearing coming out in book form, and I think it will be quite well received by the academic as well as Government entities and community organizations around the country, and I think it is a very valuable service you have provided here.

Chairman GONZALEZ. Thank you.

Mr. Torres, do you have any questions?

Mr. TORRES. Just quickly.

When I first came in—as you recall, we came in a little late—I assumed you were an administration official and just possibly I wouldn't get many answers out of you. [Laughter.]

In your testimony you did provide some illuminating and glaring statistics, something I wanted to learn about, and perhaps my ques-

tion, at the risk of being—I am not being facetious—I would just ask you because you even said now that you believe the proceedings of these hearings are going to be very important to historians and researchers and the Government people.

What have you to suggest to alleviate the kind of problem you just talked about? Can you just give me a thumbnail sketch of what you think we have to do to resolve this problem?

Dr. GILDERBLOOM. In thumbnail?

Mr. TORRES. In thumbnail.

Dr. GILDERBLOOM. OK. I thought a lot about this, ever since I worked with the Brown administration in California, in 1976 for the State department on housing and community development.

I have thought about this issue for 10 years, consulting with and working with State and local governments all across the country and with foreign governments as well, and my feeling is, with all due respects to all kinds of housing programs, I think it is developing home ownership strategies.

There are some wonderful models that are going on right now in Los Angeles. You go through barrios—graffiti, garbage, crime—and they put in within these barrios in the Los Angeles area low income cooperatives. They have dignity. Architecturally they are smart, free of graffiti, free of garbage, free of crime because the people own these units, they care.

Home ownership stabilizes low- and moderate-income communities. The Carter administration, for example brought in low interest loans, to help out these communities. I see in future churches, trade unions, even universities providing low income loans to help buy and convert existing rental housing into home ownership.

I currently live in what was once a low-income housing project. The residents have become owners. The values have been stabilized. They are basically now free of crime in that particular complex for 6 years, and the key here is ownership.

I talk to tenants all the time around the country, and I am not satisfied with public housing and I am not satisfied with programs for rent control because they simply do not go far enough in terms of assaulting the problem of tenants paying too much of their income in rent. It simply slows down the rate of increase.

I believe cooperatives and condominiums, are the cutting edge of future housing programs. Los Angeles and New York provide good examples.

We have got a program called housing receivership, which means a judge takes in the rent payments, fixes up these units, and then sells these units back to the residents. This causes stabilization in the area.

Maybe I am a dreamer, but I believe that the dream of home ownership is viable. It is significant plus to communities when they have a stake in the ownership of their house.

I live in a high crime area, but within our own apartment complex, where we have done these improvements and have neighborhood associations, we are virtually free of crime.

Dr. GILDERBLOOM. So, by thumbnail sketch it's home ownership, low-interest loans so that renters can convert their units into ownership.

Basically, as we know, when people are paying rent, they're paying the mortgage payment for the landlord as well as the heating and his profit cost. Why not turn that rent payment into a mortgage fee?

So the future is that. I'm not hopeful about the dream of the single family house with three bedrooms, two bathrooms, a backyard and a frontyard, especially in areas like New York and Los Angeles. But what is doable is conversion of rental units. And I feel very strongly about that.

Mr. TORRES. Thank you very much.

[Mr. Torres submitted the prepared statement for inclusion in the record:]

Statement of
Congressman Esteban E. Torres
Hearing on
Housing Needs and Conditions of Hispanics
Subcommittee on Housing and Community Development
September 18, 1985

I want to thank Chairman Gonzales for holding this hearing on the housing needs and conditions of Hispanics. This hearing is just one of four being held this week. Other hearings will examine Hispanic participation in federal small business programs, health, and education programs.

We have chosen this time to examine these issues because this week has been set aside nationally as a time to celebrate, honor, and reflect upon the Hispanic role in this nation. It is a time for Hispanics to congratulate themselves on how far they have come in business, the arts, academics, and in government.

Hispanic Heritage Week also provides us with the unique opportunity to learn about the problems that continue to plague Hispanics today. This afternoon's hearing will help us understand and define the housing needs and conditions of the Hispanic Community. It will help us identify the problems unique to the Hispanic Community, and tell us what must be done to alleviate them.

This hearing should also tell us what type of job the federal government is doing in housing, and whether it is actively committed to assisting Hispanics attain decent, safe, and affordable housing. At this time, that commitment is questionable.

I want to leave this hearing having found out why most Hispanics cannot afford to own their own home. I want to find out why most Hispanics must rent older, deteriorating units than other Americans. I want to find out why Hispanics have larger households than other Americans, yet are forced to live in smaller homes and apartments. And I want find out why Hispanics pay a larger percentage of their incomes for rent than other Americans.

If we can find out the answers to these questions today, then the hearing will have been a success. With your help, I believe we can achieve this goal.

Thank you Mr. Chairman.

Chairman GONZALEZ. We have Mr. Carper, who has arrived, and a distinguished member of the subcommittee. Mr. Tom Carper from Delaware.

Mr. CARPER. Thank you, Mr. Chairman. I'd like to welcome our panelists today, and just follow up if I could on Mr. Torres' question.

With regards to homeownership, I think much of what you say, Dr. Gilderbloom, rings a positive response in me. And you mentioned that during the Carter administration there were initiatives to encourage home ownership among the low-income people. I seem to recall an initiative within the present administration to provide for a conversion project within public housing, so that the people who lived within public housing projects could actually come to own. That was a notion that I think has received a fair amount of criticism, not very much constructive. Maybe some of it constructive, but certainly none of it positive.

My question of you is what's wrong with the notion of trying to turn renters of public housing into homeowners? I realize not everybody is destined or cut out to be a homeowner. Some simply are not prepared to handle the responsibilities.

But you seem to think homeownership is a good thing, stabilizing an area. Why wouldn't it work? Why do you think it wouldn't work? Maybe you do think it would work.

Dr. GILDERBLOOM. OK, I'll tell you. Often, they face the prospect sometimes of losing their jobs and it becomes a tough situation.

Mr. CARPER. Say that again?

Dr. GILDERBLOOM. The only problem I would perceive, especially for public housing tenants, would be the issue of the problem of job stability and being able to maintain constantly the mortgage payments. Are the wages paid high enough to pay house payments. But I think the same arrangement that exists for public housing could exist for home ownership. And I'm very hopeful for that.

For example, in 1970, as my tables indicate, people were paying an average of \$100 a month in rental payments. Today, it's \$303. If we converted a lot of the rental housing stock in 1970, a lot of the problems that we're discussing here wouldn't even exist because people would be paying roughly \$100 to \$150 a month in mortgage instead of rent today at \$300.

Public housing is a tricky issue though. It's a very tricky issue. There's ways to make public housing work and be basically free of crime and that, of course, is low density arrangements. Sociologists made some important contributions to that. I'm not a fan of public housing and I've met enough tenants in neighborhoods both on the east coast—Orange, NJ, and San Francisco on the west coast.

I don't want to go the way of England, Great Britain, which is basically working class people coming into a housing office and then being assigned a public housing unit somewhere in England. I like the idea of choice. I like the idea of opportunity to choose the neighborhood you want to live in.

But I think there's more positive benefits about home ownership and conversion of rental units, and I think it's more cost-effective, especially if we are so-called under the Reagan era of austerity, that the Government would save a tremendous amount of money by going into ownership programs or limited equity costs.

Mr. CARPER. And the only problem you see with that notion of making a—

Dr. GILDERBLOOM. Is default on mortgages.

Mr. CARPER. And you think that that might be addressed how?

Dr. GILDERBLOOM. I'm not sure. I'd have to work that out. I have to sleep on it and think about it.

Mr. CARPER. Dr. West, do you have any ideas along this line?

Dr. WEST. Well, my thought would be that one serious problem with that is that there are now 170,000 units altogether of public housing in New York City and we are told that a conservative estimate of 34,000 units of those units are doubled or tripled up families.

One of the major problems of converting them to ownership is that it simply takes them out of circulation. They have a waiting list for public housing units of 200,000 people—200,000 families, excuse me. And the turnover rate in those units is 3,000 a year, which is a pitiful drop in the bucket.

You have 200,000 families on the waiting list. You convert them to homeownership. That does indeed help those people who can subscribe to them but it takes them totally out of circulation where the people who will remain are low income, very low income, and they can't.

Mr. CARPER. Are you assuming that the people who would become owners would live there forever? And that they would not move, die, or whatever?

Dr. WEST. For a long time. And there will be a pool of people who will not be able to be homeowners, who will not be qualified, who will not have—of course, you can have training programs and people can acquire their skills. I think it's important not to take them out of circulation.

Mr. CARPER. I think we're losing her microphone here.

Dr. GILDERBLOOM. I disagree with her very much.

Mr. CARPER. Why?

Dr. GILDERBLOOM. I walked through public housing projects, through the worst and through the best. In my experience in terms of touring housing projects in San Francisco; Los Angeles; Orange, NJ; New York City; Chicago; is that—it's almost jail-like institutional structures and you still have, even though the home is supposed to be the castle, you have still people intruding on your life, telling you when and where to have friends over, what color the walls will be, examining your house. People want to be free of that.

America and what it's all about is control of your life, control of your destiny. And ownership provides that. When you ask for a thumbnail sketch for what to do, obviously, we need a program. But I think it can be innovative. I think it can be exciting. We need to create models, to create dreams, create visions about what can be done.

Public housing is simply not the way to go. And, obviously, there's going to be a certain group of people at the very bottom that aren't going to be able to own homes. But the vast majority of Americans, 90 percent of them, want to own homes, want to get into the dream. And this is one of the best ways, as far as I'm concerned from my own personal experience and from the readings

I've done, to stabilize low and moderate income neighborhoods to stabilize the centers of the cities. It's very important.

And I'm also talking about, too, getting away from the traditional landlord-tenant relations, where the laws have been designed since the day of the rack in England, and they basically have remained unfixed and unchanged.

America at one time had the highest home ownership rate. When people come here, foreign people, they want to own their own homes. And, increasingly, as Congressman Gonzalez, said, we're going to see a repetition of the sixties, where one of the major reasons for the rioting and the disruptions of the cities was jobs, and two was housing.

Everywhere where there was unaffordable, inadequate housing there was rioting in the streets, disruption, and so on. Where housing was decent and affordable, you found there was little or no rioting. This is all documented in Roger Friedland's excellent work. He does some rather elaborate analysis on this.

Why are you rioting? I got no place to live.

And that's why I'm saying we've got to come up with programs and these hearings provide a useful service for that.

Mr. CARPER. Thank you both. I think my time may have expired. Thank you, Mr. Chairman.

Chairman GONZALEZ. Yes, sir, it has expired.

Dr. West, thank you very much for being with us, and we'll recognize you at this point for your statement.

STATEMENT OF SHEREE L. WEST, CONSULTANT, ENVIRONMENTAL PSYCHOLOGY CENTER FOR HUMAN ENVIRONMENTS

Dr. WEST. Good afternoon, Mr. Chairman.

Mr. Chairman and members of the Subcommittee on Housing, I thank you for the opportunity to testify today about the startling recent increase in Hispanic homelessness in the United States. The information that I am reporting to you is based on investigations conducted earlier this year by myself and my colleague and coauthor, Mr. Segundo Mercado-Llorens.

Housing has been an important issue for the Hispanic community for decades, but now the critical shortage of affordable housing is eroding the Hispanic family and pushing low-income Hispanics out of their homes and on to the streets.

To sketch one family's odyssey, the husband had lost a job in the recent recession and was unemployed for some time. When they couldn't pay the rent, the family doubled up in a sister's apartment. Eventually, the frictions produced by overcrowding forced the family to break up. He went to a mattress on a cot in a city-run shelter and she went with the three children to a narrow room in a sleazy midtown hotel.

As a recent study conducted by HUD, though seriously flawed, does point out, the homeless are increasingly * * * the working poor who have lost their jobs in the recent recession, and then this report on a national basis is echoed repeatedly by State reports that confirm that the new homeless are those whose only handicap is poverty.

Hispanic homelessness is not a result of social pathology or personal mismanagement but ultimately results from a failure of public policy and political will.

Hispanics across the country are always overrepresented among the homeless because they are more vulnerable to the causes of homelessness—poverty and lack of affordable housing, loss of a job, displacement, eviction, rent increases, unsafe, unhealthy housing, a totally insufficient AFDC allowance, entitlement cutbacks, and few employment opportunities all contribute to Hispanic homelessness and they are then compounded by poor education and discrimination.

This occurs regardless of the region of the country. In the Northeast, for example, a 1982 study found that over one-quarter of the men entering the New York City shelter system were Hispanic. Their proportion had more than doubled in the 3 years from 1979 to 1982, climbing from 11 percent to 26 percent of the entering population.

In addition, homeless families are three times as likely to be Hispanic as to be white. Now, in New York City, single, homeless Hispanics tend to be younger. They're very young; they're teenagers. Or they're the middle-aged who've lost their jobs in the recession. And they may have held responsible positions, even supervisory positions. But, now, for some reason, cannot find work.

In addition, children placed in foster care are much more likely to be Hispanic than to be black or white. And so when they age out of the programs at the age of 18, they often have no place to go but the shelters.

Mr. Garcia was asking for statistics on the Northeast and New York City. One very highly respected researcher, Michael Stegman, has compiled quite a lot of data on the population that comprises the largest portion of Hispanics in the Northeast and New York City, on Puerto Ricans.

Puerto Ricans have the lowest median income and pay the highest rent to income ratio of any racial ethnic group in the city. A higher percentage of Puerto Ricans than any other group live in dilapidated or overcrowded housing and they're more likely than either blacks or whites to be displaced when their rental units undergo cooperative conversion.

But this escalation of Hispanic homelessness is not just occurring in the Northeast. In the Southwest, in Arizona, for instance, the homeless population in Tucson is 20-percent Hispanic. In Albuquerque, 31 percent of the homeless are Hispanic. Dallas/Forth Worth, reported to be 10 percent. Phoenix, 15 percent.

A researcher there, Louisa Stark, who provided these statistics, was asked if the economic recovery, as HUD had optimistically projected, was bringing about a decrease, a receding in the numbers of homeless or homeless Hispanics. She said:

Absolutely not. Quite the contrary. There have been more homeless this summer than ever before in the history of our records. And in the last 2 days, three plants have been laying off workers in our area.

As in 18 other States in this country, the entire monthly AFDC grant is less than the fair market rent for the area. The rental allowance for the vast majority of AFDC recipients is less than 40

percent of the fair market rent of the area. And since Hispanics are a very large proportion of AFDC recipients, this hits them very hard.

Then, in the West, in California, Hispanic homeless are families living in cars, recent arrivals from Mexico and Central America, and local residents who simply can't find work.

I understand that a Mr. Paul Koegel in Los Angeles of the county of Los Angeles Department of Mental Health has just collected a substantial amount of indepth comprehensive data on the homeless in Los Angeles, and that that data may become available in the next few months.

In the Midwest, it's not an area that you might expect to have a high population of Hispanics, the homeless are migrant farm workers who had come up to, say, Minnesota expecting work in the fields, and then could find no work and then could not leave. So they became homeless.

Families often do try to help. In fact, in New York City, Hispanic homeless men were reported much more likely than either blacks or whites to have been living with their families just before they became homeless.

But the Hispanic family is struggling to maintain its integrity against cumulative and persistent environmental pressures. If traditional family ties seem to be breaking down, it is in response to severe environmental, economic and housing-related pressures that have recently become even more severe due to antifamily public housing and income policies.

For example, between 1981-83, the combined effects of the recession and cutbacks in Government assistance pushed an additional one-half million Hispanics in this country below the poverty level. Today, 21 percent of all Hispanic children in this country live below the poverty line in a family headed by a woman. Thus, for every Hispanic individual or family that actually becomes homeless, uncounted others live at the margin of survival, vulnerable to homelessness.

Nationwide, the number of families doubled up with other families jumped by more than 100 percent from March 1978 to March 1983, and these, too, are people who are almost homeless.

Public economic and social policies are certainly implicated in these high rates of Hispanic homelessness. The supply of low-cost housing units, as you well know, has been drastically depleted by cutbacks in Federal housing programs, by city tax and development incentives, that have led to the loss of almost half the SRO units in the country; and have also led to the conversion of low-cost housing units to cooperatives and condominiums.

Obviously, the only effective solution for Hispanic homelessness is permanent low-cost housing and the source of income to pay for that housing. If the Federal Government has a serious interest in reducing homelessness, it must renew its traditional commitment to production and rehabilitation of very low cost rental housing units. But in creative new innovative ways, not just the large-scale, massive public housing projects.

Although the SRO type and rooming houses have been somewhat discredited, they actually have served a very valuable function for many low-income people. So we need more units of the SRO type,

and apartment units adequate for larger Hispanic families and then, in more innovative programs such as Sweat Equity and homesteading and low income co-ops, administered under local community control on a small scale, Federal moneys can go a long way toward producing housing.

We need transitional or second stage housing that offers some social service supports to help homeless individuals and families to stabilize before they move to permanent housing.

I understand that the House just eliminated very recently a funding appropriation for such a second stage shelter program. I think that's unfortunate. It should be reinstated.

The proposed HUD budget this year contained no funding request for aid to the homeless. This administration's campaign against public housing betrays its intention to transform the war on poverty into a war against the poor.

Proposed termination of housing development grants, the rural housing programs of the Farmers Home Administration, section 312 rehabilitation loans, not to mention all the cuts of support for public housing, will ultimately create more homeless people.

In areas where the vacancy rate is very low, a voucher for an existing housing unit is a useless idea. In fact, it may be that housing vouchers have the effect of raising the floor of low-income rents for all the low-income people in an area.

At the income levels of the homeless and the near homeless, housing units supporting a mortgage of any kind are really not going to be affordable. Outright public sector grants or revolving no-interest loans are essential to the development of housing affordable by the homeless and the near homeless. These grants can be leveraged by nonprofit developers when combined with syndicated depreciation and tax benefits.

So as you debate the tax reform bill, I would ask you please to remember the homeless and their need for low-cost decent shelter and continue the favorable tax incentives and depreciation schedules for investments in low-income housing.

I would also remind the committee that in any program for both low- and moderate-income housing—and they are usually packaged together—only funding targeted to low- and very low-income people will address the problem of homelessness, and yet housing at that level frequently receives the smallest portion of funds.

The general AFDC allotment, and not simply a restricted shelter portion, should be increased to levels that would be adequate for the cost of shelter to prevent more Hispanic homelessness. And of course employment and job training and placement programs are essential, along with programs to make high school relevant and to reduce the soaring school dropout rate among Hispanic young people.

As an environmental psychologist, I know the crucial role that housing plays for any family. It supports the whole fabric of daily life—security, social networks, life history, and personal identity, as well as simple basic shelter.

Safe, decent housing is one of the basic needs of life, and it is time for Congress to declare that every person in this country does indeed have a right, a universal entitlement to housing.

Thank you, sir.

[The prepared statement of Sheree West with attachment follows:]

TESTIMONY ON
H I S P A N I C H O M E L E S S N E S S

Given By

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Before the Subcommittee on Housing and Community Development
of the Committee on Banking, Finance and Urban Affairs

U.S. House of Representatives

Rep. Henry B. Gonzalez, Chair

September 18, 1985

Mr. Chairman, and Members of the Subcommittee on Housing:

I thank you for the opportunity to testify today about the startling recent increase in Hispanic Homelessness in the United States. The information I am reporting to you today, is based on investigations conducted earlier this year by myself and my colleague, Mr. Segundo A. Mercado-Llorens.*

Housing has been an important issue for the Hispanic community for decades, but now the critical shortage of affordable housing is eroding the Hispanic family and pushing low-income Hispanics out of their homes and onto the streets.

Let me sketch one family's odyssey. The husband had lost his job in the recent recession and was unemployed for some time. When they couldn't pay their rent, the family doubled up in a sister's small apartment. Eventually the frictions produced by overcrowding forced the family to break up. He went to a cot in a city-run shelter, and she with the three children, was placed in a narrow room in a sleazy midtown hotel.

As a recent HUD study, seriously flawed though it is, points out, the homeless are increasingly the working poor who lost their jobs in the recent recession.

This national report is echoed by recent state studies which confirm that the new homeless are those "whose only handicap is poverty."

Hispanic homelessness is NOT a result of social pathology or personal mismanagement, but ultimately, results from a failure of public policies and political will.

Hispanics across the country are becoming homeless through a sequence of economic and housing-related events, to which they are more vulnerable because of historic disadvantage:

Loss of a job, displacement and eviction, rent increases, unsafe/unhealthy housing, a totally insufficient AFDC allowance, entitlement cutbacks, few employment opportunities, and the lingering effects of the 1981-83 recession, all contribute to Hispanic homelessness.

Minorities, including Hispanics, are always overrepresented among the homeless, because the causes of homelessness have much greater impact on them, regardless of the region of the country.

In the northeast, for example, a 1982 study found that over one-quarter of the men entering the New York City shelter system were Hispanic, and this proportion had more than doubled between 1979 and 1982, climbing from 11% to 26% of the shelter population. In addition, homeless families are three times as likely to be Hispanic as to be white.

In New York City, single homeless Hispanics tend to be younger than other ethnic groups. They are unemployed young men, or the middle-aged who have held responsible, even supervisory positions, but now cannot find work. In addition, children placed in foster care are more likely to be Hispanic, and when they "age out" of programs at age 18, they often have no place to go but to a city shelter.

A highly respected researcher in the field of housing, Michael Stegman (1985), reports data which clearly point to causes of homelessness for the largest group of Hispanics in New York City, who are Puerto Rican.

Puerto Ricans have the lowest median income (\$7698 in 1983). (46% receive less than 50% of the median income for the city), and pay the highest rent to income ratio (35%) of any racial/ethnic group in the city.

A higher percentage of Puerto Ricans than any other group live in dilapidated or overcrowded housing. In addition, they are more likely than either Blacks or Whites to be displaced when their rental units undergo cooperative conversion.

Hispanic families below or near the poverty level in New York City confront a housing market where the vacancy rate for low-rent units hovers around one percent.

But the escalation of Hispanic homelessness is not just occurring in the northeast.

In the southwest--Arizona, for example, a researcher was recently asked if, with economic recovery as HUD had optimistically projected, these numbers were receding. She said, "quite the contrary. There have been more homeless this summer than ever before in the history of our records. And in the last two days, three plants have been laying off workers."

As in 17 other states in this country, the entire monthly AFDC grant is less than the fair market rent for the area. In the U.S. the rental allowance for the vast majority (over 2/3) of AFDC recipients is less than 40 percent of the fair market rent (NAHRO, 1985).

In the west--in Los Angeles, the Hispanic homeless are families living in cars, recent arrivals from Mexico and Central America, and local residents who simply cannot find work.

In the midwest, migrant farm workers did not find expected work in the harvest fields, could not leave, and became homeless.

Families often DO try to help. The Hispanic family is struggling to maintain its integrity against cumulative and persistent environmental stresses. If traditional family ties seem to be breaking down, it is in response to severe environmental, economic, and housing-related pressures that have recently become even more severe due to public housing and income policies.

Between 1981 and 1983, for example, the combined effects of the recession and cutbacks in government assistance pushed an additional one-half million Hispanics in this country below the poverty level. Twenty-one percent of all Hispanic children in this country live below the poverty line in a family headed by a woman (Tobier, 1984).

For every Hispanic individual or family that actually becomes homeless, uncounted others live at the margin of survival, vulnerable to becoming homeless.

Nationwide, the number of families doubled up with other families jumped by more than 100%, from March 1978 to March 1983 (Schecter, 1984). These are the 'near homeless.'

Public economic and social policies are implicated in these high rates of Hispanic homelessness: a drastically depleted supply of affordable housing, poor education and soaring school drop-out rates, lack of job opportunities or training, a high poverty rate, and discrimination.

The supply of low-cost housing units has been eroded by cutbacks in federal housing programs, by city tax and development incentives that led to the loss of almost half the single room occupancy hotel units in the country, and to conversion of low-cost housing units to cooperatives and condominiums.

RECOMMENDATIONS:

The only effective solution for the Hispanic homeless is permanent, low-cost housing and a source of income to pay for that housing.

If the federal government has a serious interest in reducing homelessness, it must renew its traditional commitment to production and rehabilitation of very low-cost rental housing units, both of the SRO type, and units adequate for larger Hispanic families.

Transitional or second-stage housing, which offers some social service supports, is needed to help homeless individuals and families to stabilize, before moving to permanent housing.

The proposed HUD budget this year contained NO funding request for aid to the homeless. This administration's campaign against publicly assisted housing (the proposed termination of Housing Development Grants (HODAGS), the rural housing programs of the FmHA, and Section 312 Rehabilitation Loans, and public housing) betrays their intention to transform the "war on poverty" into a "war on the poor." The recent cuts of Public Housing modernization funds, operating subsidies, and new construction will ultimately create more homeless people.

In areas where the vacancy rate is very low (such as New York City where it is 2 percent or less), the concept of a voucher for an existing housing unit is useless! In fact, housing vouchers may effectively raise the floor of private market rents, forcing all low income people to pay higher rents.

At the income levels of the homeless and near homeless, a housing unit supporting a mortgage at ANY interest rate is not affordable. Outright capital grants or revolving no-interest loans should finance construction.

As you debate the tax reform bill, remember the homeless and their need for low-cost, decent shelter. Favorable tax incentives and depreciation schedules for investment in low income housing should be continued.

I remind the committee that in any program for both low and moderate income housing, only funding targeted to low and very low income people addresses the problem of homelessness. Yet housing at that level frequently receives the smallest portion of funds.

Public sector low-interest loans and grants are essential to the development of low-cost housing for the homeless and near homeless. These grants can be leveraged by non-profit housing developers, when combined with syndicated depreciation and tax benefits, which hopefully will be retained.

Two promising measures for the homeless and very low income people were just eliminated in the recent funding appropriation (H.R. 3038) for HUD assisted housing: the second-stage shelter for the homeless program, and the innovative Nehemiah housing demonstration. I encourage their authorization and funding.

Taxpayers are repeatedly shocked and scandalized by the extraordinary levels of rent that can be extorted by private hotel owners who provide the most degrading and unhealthy conditions for homeless families. \$1400 per month (half of it federal funds) may be paid, for such emergency shelter, but not for a real housing solution. Can't these restrictions be waived, administratively, or legislatively, so families could use the funds for permanent, decent housing, at considerably lower rates?!

The general AFDC allotment (rather than a restricted shelter portion) must be increased to levels adequate for the costs of shelter.

And employment, job training and placement programs are essential, along with programs to make high school relevant and reduce the soaring school drop-out rate among Hispanic young people.

As an environmental psychologist, I know the crucial role housing plays for any family. It supports the fabric of daily life-- security, social networks, life history and identity, as well as basic shelter.

Safe, decent housing is one of the basic needs for life, and it is time for the Congress to declare that every person in this country does have a Right to Housing.

*We interviewed representatives of the National Coalition for the Homeless, Hispanic social service agencies, and Hispanic housing developers, as well as homeless Hispanic families and homeless individuals in New York City. We also interviewed researchers and advocates for the homeless in several other American cities.

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The New Grapes of Wrath...

by Segundo A. Mercado-Llorens
Shirley L. West



...Hispanic Homelessness in the Urban Highland



News Feature

...he had already understood that he would never leave that room, for it was foreseen that the city of mirrors (or mirages) would be wiped out by the wind and exiled from the memory of men . . . because races condemned to one hundred years of solitude did not have a second opportunity on earth.

— Gabriel Garcia Marquez
"One Hundred Years of Solitude"

Humanity — that quality of mercy, kindness, and sympathy which distinguishes man from beast — is dying. In the endless evolutionary struggle for power between sublimity and hypocrisy, the latter finally seems to have gained the upper hand.

Today, the best national estimates suggest an overall homeless population of 2.5 million to three million people. Moreover, homelessness among minorities (as shown in a recent survey by the Department of Housing and Urban Development) is on the rise. The urban jungle has become an asphalt asylum — the streets teeming with human flotsam. It is a triumph of callousness over concern.

For Hispanics, the issue is particularly troubling given the close and extended family ties that are a hallmark of their culture. Yet, the incidence of Hispanic homelessness remains the untold story of the so-called "era de los Hispanos."

As early as 1982, the New York City Human Resources Administration identified Hispanic homelessness as a major new phenomenon. An HRA survey disclosed that new entrants into the shelter system were increasingly younger and that Hispanics represented over one-quarter of the first-time shelter clients. Most alarming, however, was the finding that the proportion of Hispanics in the shelter population more than doubled between 1979 and 1982, climbing from 11 percent to 26 percent.

The profile that ultimately emerged from that study was of an acculturated group finally showing the strains of decades of poverty and assaults on the spirit. Only 2.9 percent of all entrants were "recent arrivals from Puerto Rico and the Caribbean." The overwhelming number had roots in the city and were much more likely to have been living with their families just before they became homeless, than either whites or blacks.

News Feature

Maria Elena Girone, regional executive director of The Puerto Rican Family Institute, notes that "In general, the Hispanic homeless individual tends to be very young, while the families tend to be middle-aged. A high percentage of the Hispanic homeless are female heads of households, and close behind are unemployed males ranging in age from 18 to 45 — what should be our most productive age group."

"But we shouldn't think that families just decide all of a sudden not to support a family member," argues Girone. "An individual may become homeless as a result of other pressures — peer pressures, environmental pressures and the like — which are a product of the clash of two cultures. Second- and third-generation Hispanics, after all, have acquired a set of values which sometimes come into conflict with nuclear family values."

"Yet," she concludes, "because Hispanic homelessness is essentially a condition compounded by other elements, such as a lack of employment and an inadequate education, the scarcity of services to deal with the emotional, financial, and other pressures on the family also contributes to family disintegration."

A recent report by the New York State Department of Social Services (DSS) confirms the economic deracination of the Hispanic family. Startlingly, it concludes that homeless families are three times more likely to be Hispanic than white.

The roots of the current crisis are clear. They lie in laissez-faire government policy, rather than in the effects of social pathology or personal mismanagement. Federal cutbacks in housing programs, a drastic decline in single-room occupancy hotels (47 percent nationwide and 87 percent in New York City between 1970 and 1982), co-op/condo conversions and skyrocketing rent increases depleted the number of affordable units. An escalating poverty rate, an insufficient public-assistance allowance, and a new form of deinstitutionalization — that process by which the mentally ill were pushed out of state hospitals in the '50s, '60s and '70s — also combined to create this modern-day "harvest of shame."

The failures of deinstitutionalization, for example, are well known. Between 1955 and 1981, approximately 434,000 state and county



Tuesday, 12:30 A.M. Entrance from subway to the Port Authority Bus terminal. One of 42 this summer's night. When winter comes the count will go to several hundred.

hospital patients across the country were "dumped" into communities that were ill-equipped to serve them. They began to appear on the streets, huddled in hallways and subways and the emergency rooms of municipal hospitals. The legacy of that policy, despite claims to the contrary, still plays a part in this urban drama.

As Ellen Baxter, who has studied the problem for the Community Service Society, puts it: "Today, the process has slowed down, but only on paper. Often you'll hear mental health officials saying that deinstitutionalization has been discontinued. But what they fail to say is that they are not admitting anyone into the state hospitals. So that by restricting access, they are in effect continuing to leave people who are mentally ill and homeless, with no option but to go into the streets or into a shelter."

"In addition, because the public hospitals such as Bellevue, Metropolitan, or Harlem — which have lots of mentally ill homeless persons in their emergency rooms — are under no obligation to find housing, the patients get discharged into the streets. It's a very explicit policy which says, 'go back to your street corner or go back to wherever you came from. You've been stabilized now.'"

But the recent and dramatic growth in the figures for the homeless cannot be explained by this "locking out" of the mentally ill. And for the Hispanic homeless, the answers are more complex.

"Part of it," says one Hispanic social worker, "is the length of time the family has been here. They become more Americanized, and they adopt a lot of American values, such as the notion of fending for yourself."

"Then there is the problem that Hispanic families, many of which came from the Dominican Republic or Central and South America, can no longer absorb all of the incoming immigrants. They brought part of the family over first, and then they started bringing the oldest kids and found that there was no more room in the apartment, and no other apartment to which they could afford to move. That's one reason why there are a lot of young Hispanic homeless."

According to statistics compiled by the National Coalition for the Homeless (NCH), children under the age of 16 now outnumber single adults in New York's shelter system. One factor that may account for this is the estimated 100,000 New York City families who are forced to double and triple up in order to compensate for the annual loss to deterioration of 22,000 housing units a year.

Says Dan Salerno, a researcher for NCH, "Some may argue that these people are not really homeless, but when the tension level reaches the point that friction forces one to move out, that family becomes homeless."

At one city-funded shelter we encountered the Gonzalez family. They have been homeless for over one year.

News Feature

With Antonio unemployed and unable to meet the cost of rent for their one-bedroom apartment in the Bronx, his wife, Miriam, talked her sister, Carmen, into providing temporary quarters for themselves and their three children. But, following the departure of Carmen's husband after a long and bitter dispute, the Gonzalezes were ordered to leave the apartment.

Antonio remembers that "it happened from one day to the next. She threatened to call the police on us unless we left. This was in Co-Op City, and if management had found out that we were staying there, she would have been evicted. So we had to leave."

"After that, we went to my sister's place on Walton Avenue in the Bronx. She had a one-bedroom apartment, and a handicapped baby and her husband living with her. We slept on the living room floor. There were so many roaches I had to sleep with one eye open, and once in a while we'd find them crawling all over our kids."

"On top of that, my sister's husband liked to scream at my children, even though I don't even scream at them. It seemed like he had caught an attitude.

We couldn't communicate, and it got to the point where I said, 'No more!'"

The family friction experienced by the Gonzalezes, however, is a symptom, not a cause, of the burgeoning crisis.

The HUD and DSS studies mentioned above both point to the phenomenon of a recession-induced homelessness, accounting for the additional number of people seeking shelter. HUD notes that between 35 percent and 40 percent of the total surveyed are the working poor who lost their jobs in the aftermath of the economic downturn. DSS affirms this, saying that the shelter population increasingly consists of people "whose only handicap is poverty."

Wilfredo, for example, is a 50-year-old Puerto Rican resident in one of the city-run shelters. He has been there since Christmas. He bears a chisled face and heavy-hooded eyes from which emerge the first stirrings of a frantic fear — like that of a man whose soul has absorbed too many doses of reality. He appears both anxious and expectant. Dry with wit and languor. A man of desiccated passions.

He first came to New York in 1957. He has held a number of low-paying

jobs that required a variety of skills. Some were even supervisory positions. Today, however, despite 30 years of employment experience, he finds himself out of a job, out of luck, and homeless.

Although he has three brothers and a sister who also live in the city, they are no longer sources of comfort. He tried living with them, but, he says, "it's not like in the old days anymore. Nowadays, you're expected to take care of your own thing. You can't be a burden. They all have the same problems. Why should you be another one?"

"Since I don't have my own place, and I'm not working, it's like I'm from a different planet. Like an out-cast. But, I don't blame them, 'cause money's tight. There aren't any jobs here, and in Puerto Rico it's worse. So if I can't afford it, they must be going through the same thing."

"There used to be a balance, you know. Everybody had a little bit to share. But not now, not since the changing of the guard."

Nationally, the changing of the guard has meant that more than a half-million additional Hispanic individuals slipped below the poverty line



Three senior citizens who's golden years are cold with despair. Waiting for an end.

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between 1981 and 1983, a percentage increase (14.4 percent) which outstripped increases for both blacks (7.8 percent) and whites (11.2 percent). In addition, an analysis of census data conducted by the Center on Budget and Policy Priorities shows that in the first year of the Reagan program alone (1982), the total after-tax income of Hispanics fell by nearly \$2 billion, an average loss of \$460 a year for every Hispanic household in the nation.

But the holes in the safety net at the federal level have not dampened the spirit of community at the local level.

For Peter Bonachea, a Hispanic housing developer with a firm belief in the ideals of the "American Dream," it has meant the commitment of private monies in the service of public needs. He has spent approximately \$100,000 of his personal funds on the acquisition of a residence for homeless individuals sponsored by the Committee for the Heights/Inwood Homeless (CHIH), a community group in New York's Washington Heights.

With little expectation of profit, Bonachea is nonetheless moved by the necessity of the undertaking.

"As Hispanics, we have an obligation to help those of us who have not been so fortunate," he says, "and this is something I believe in. Otherwise, I would not have done it."

Dora Rodriguez, a case manager with the Columbia University Community Services Project, which provides assistance to CHIH, refers to this pilot project as "an alternative SRO." As she describes it, "we call it an alternative because it is being done by a not-for-profit organization, and because the tenants will assist in the building's management. There will also be mental health and social services, in addition to a jobs program, and all of this will be a part of a collective decision-making process."

As explained by Bonachea, this enterprise would never have gotten off the ground without the public-sector funding made available by city and state authorities.

"The juicy part of the whole enterprise," he notes, "is the low-interest loans and grants that CHIH received, because without it the project could not fly."

An unabashed admirer of President Reagan, Bonachea concludes that some housing subsidies are still necessary. "After all," he says, "needs exist, and you cannot just all of a

sudden cut this like a waterline and turn off the whole concept. So while there have been cuts in housing funds, I can't believe it's all going to be totally eliminated."

But, in some cases, that is exactly what the President has sought to do. In his first four years, he virtually eliminated every federal program to build or rehabilitate housing for low-income households. The second term appears to offer more of the same.

According to the Low Income Housing Information Service, Reagan's initial proposed budget for fiscal 1986 called for the elimination of the Housing Development Program, which funds new construction and rehabilitation of rental housing units, as well as the termination of Urban Development Action grants and the rural housing programs of the Farmers Home Administration.

The budget axe slashed all funding for additional assisted housing units of any kind. Section 8 funds to support new construction or rehabilitation of rental units, Section 8 rent subsidies for existing units, new construction for the elderly and handicapped under the Section 202 program, and new public housing units were all cut to zero.

If that budget submission is adopted, net new budget authority for housing will have been reduced by 98.3 percent from fiscal 1981 to fiscal 1986. Ironically, although affordable housing heads nearly everyone's list of recommendations for the homeless, housing cuts already total more than all other low-income cuts combined.

Other reasonable recommendations have also been relegated to the bin of bureaucracy. Interviews with both municipal and private shelter administrators indicate that New York City's Human Resources Administration has largely ignored its own advice (contained in a 1982 report) for the establishment of "referral linkages to agencies specializing in family and employment counseling for Hispanics, especially young Hispanics."

For Maria Giron, this comes as no surprise. "We should remember," she argues, "that Hispanics still have only a minimal impact at the managerial and planning stages. And if you don't have persons at upper governmental levels that are sensitive to the unique needs of our population, this lack of concern will translate into increasing homelessness among Hispanics."

The real safety-net solutions to this economic black hole into which Hispanics are falling constitute no mystery.

Advocates for the homeless contend that housing must be seen as a human right entitled to protection from the vagaries of the private market. They stress the need for a renewed federal commitment to low-income housing production and rehabilitation for the estimated 7 million American households that cannot now afford decent housing.

Housing experts such as Chester Hartman, a fellow at the Institute for Policy Studies, have suggested abandoning the traditional mortgage system in favor of one-time government capital grants. This approach, it is claimed, would halve monthly housing costs.

Creative partnerships, like the Washington Heights SRO project, which combine private developers' expertise in construction and syndication financing with the experience of non-profit community organizations in service delivery, are a new means of self-help housing assistance which, reformers argue, should also be facilitated by government.

In New York state, the Homeless Housing Assistance Program (HHAP) is one initiative designed to encourage this kind of development. However, its ultimate success is still viewed with caution.

As Steven Coe, executive director of Community Access Inc., a non-profit housing and advocacy group, tells us, "There's a lot of smoke, but not a whole lot of fire yet. A lot of groups have applied for and gotten grants. But it remains to be seen if the projects actually get built. Some people in government would like to see us struggle along on a year-to-year basis."

"Yet," he continues, "unless government maintains grant programs like HHAP for a period of years so that a knowledge base develops, what you'll be left with is what you have now— inexperienced funders and inexperienced housing developers—a perfect combination for nothing to happen."

Innovative policies such as Housing Trust Funds (targeted to the low-income housing sector and funded by contributions from office, commercial, and luxury market developers), anti-displacement legislation (to aid

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the 2½ million Americans who are displaced or evicted annually), and anti-speculation taxes to penalize the profiteers of the quick buy and sell have been proposed as weapons in the long-term fight to prevent homelessness.

Increased allocations for AFDC, SSI, and Home Relief, as well as job training and placement programs, are other measures advanced by concerned groups and individuals.

However, no one is naive enough to believe that all that can be done by the public sector, will be done.

Says Giron: "Programs for the Hispanic community have been created only because we, as Hispanics, have pushed for them, not because politicians have wanted them."

And given the current political and economic climate, it is doubtful whether sufficient clout can be mustered on behalf of a homeless constituency whose numbers are not easily translated into votes. Nevertheless, doing nothing now may raise the economic stakes in the future to unacceptable levels. Higher crime and school dropout rates, as we have already learned in this country, carry long-term consequences that are not easily reversed.

In the final analysis, therefore, after all the proposals are written, social and economic studies distilled, committee meetings held, speeches delivered, and consultants paid, the most telling advice to our political leaders will remain that which we heard from a resident of a city-run shelter in Brooklyn, who told us quite simply, "Tell them to care."

POSTSCRIPT

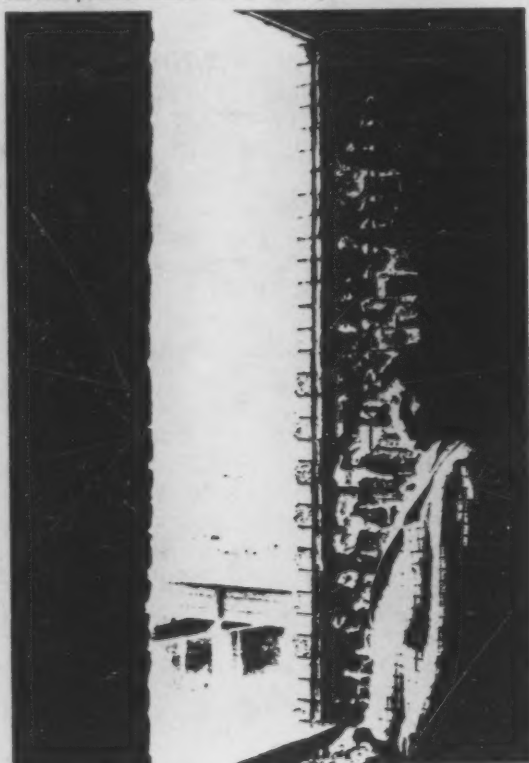
Those enclaves of poverty we visited, called shelters, remind us of the two faces of Janus, that Roman god of beginnings and endings. For in those phalanxes of the new conservative order, many will have to start their lives all over again. Others are already lost, the look of resignation — that creeping rigor mortis of the terminal — in their eyes. It is a hell into which any one of us might also have fallen, a human abattoir with the stench of politics in the air, where the fissure in the American Dream, meets the hole in the safety net.

Some of the residents clothe themselves in sleep. There is dread in the heart, and fear in the blood. America

has muddied its hallowed ground. It is a bloody boudoir stacked with a collection of outcasts, slumbering in the crowded intimacy of chaos.

Peter Bonachea, Dora Rodriguez, Ellen Baxter, and those like them are buffers between salvation and sorrow. Others, such as the political caciques who have permitted homelessness to

happen, are merely consumed by the hypodermic of high fashion. Their zeal for fairness as transitory as the fix of publicity. Yet, homelessness is the thin edge of the precipice, where society prepares to make its final leap into the void. And all of us should be aware that only the most committed can stop it.



Peter Bonachea, whose efforts have turned a dream into a reality.

Segundo Mercado-Llorens is a criminal defense attorney and free-lance writer. He is a frequent contributor to USHA Magazine.

Dr. Sheree West is a consultant in environmental psychology. She has

recently completed a study on homelessness for the New York City Partnership.

The authors wish to note that the names of homeless people described in this article have been changed to protect their privacy.

Chairman GONZALEZ. Thank you.

We have a recorded vote announcement. The second set of bells have rung. So we will recess for 10 minutes and try to get back here not later than 10 minutes from now.

[Recess.]

Chairman GONZALEZ. The subcommittee will continue.

I believe you had completed your statement, Dr. West, and I wanted to thank you very much for your contribution.

We have quite a number of witnesses yet to be heard, and so we are going to move on, and some of the members may wish to submit some questions in writing to both of you in time to have you address them when you get the transcript of the proceeding.

I think most members asked the questions they wanted to ask both of you; but I for one want to thank you very much for a very valuable contribution and one that is most helpful to us all.

Dr. WEST. Thank you, sir.

I wonder if I might just make one reply to Mr. Carper's point.

Chairman GONZALEZ. Absolutely.

Dr. WEST. Very briefly.

In New York City, the median income of a person who would purchase a co-op is about \$35,000, and the median income of a Hispanic family is \$7,700.

At that level it is not helpful or relevant, really, to speak in terms of the homeless and the near homeless purchasing units, when you are doubling and tripling up families. I just don't think it is helpful to talk about converting low rent decent apartments into middle-class apartments, which really does not generate any new units when you have a vacancy rate hovering around 1 percent for units that are less than \$200 in the city.

Chairman GONZALEZ. Yes, of course. The insidiousness about what we hear regarding home ownership for public housing tenants is reflective of a confusion. The insidiousness is the motivation behind it.

I have been on this subcommittee for 24 years, and I have seen at least half a dozen different bills that were enacted into law offered as a substitute for public housing. There have always been traditional opponents of public housing. They were with us in the beginning, they have been against us all along, and they are against us now.

The only difference is they are in power now in the administration, total power for the first time.

So the insidiousness of saying and holding out the prop is that there isn't a family, no matter how poor, that wouldn't want to own a home. You know, it is just balderdash to say that this is something that can reasonably be offered to the poor and the moderate income of this country when the truth is that those very same people that are hinting at it—the administration, for instance, talks about it, but they have yet to present a viable, cogent, specific program as to how that can be brought about and still provide for what would be needed the most, and that is the ability to maintain the property even if you were to transfer title.

So it becomes insidious because it is just one more subterfuge to try to do in what they call public housing.

But I have seen everything offered by some of my colleagues from Texas, for instance, from turnkey housing to some of the later voucher programs, section 8 and all, and they all had the basic premise that we have got to have something that we can offer as a substitute for public housing.

The fact is that there is no country in the world today, no industrialized nation, that has been able to offer any kind of a program for shelter for all of its citizens; that is, the poor and the moderate income, unless there is a national commitment and an out-and-out governmental commitment or subsidy.

The private sector that bitterly opposed public housing in the beginning through the years accepted the fact and had found some accommodation with the fact that housing for the poor could be built provided there was a subsidy; that private initiative alone could not build homes for the poor of any kind—rental much less ownership.

So that we have to realize that when some of the members talk about, oh, yes; you know the administration talks about a plan, there is no plan that has been presented. There have been some schemes devised through the financing, for instance, mechanism of selling, privatizing public housing. But that isn't the same thing as providing housing and making it possible for a tenant.

The very idea that to be eligible for public housing you have to meet certain well-established criteria that would prescribe the ability of low-income persons from purchasing a home unless it was an outright gift, but then in the absence of any continued subsidy for maintenance it is just, I think, a cruel joke to try to hoist this on people.

Yes, Dr. Gilderbloom.

Dr. GILDERBLOOM. I agree that you do have to have a national program, and it is clearly, you know, that that commitment needs to be done. The loans need to be made.

I have been able to make two studies, in Orange, NJ, and as well as in Houston, TX, where my class was involved in a study of the abandoned housing just a block away from our place, which is inhabited right now by petty criminals and drug users and so on, where we could buy these units and convert them for as little as \$10,000 and get nice two-bedroom apartments.

We estimated that these people could have these houses bought and owned over a 10-year period making payments of just \$100 a month, and this was mostly working people.

We have done the same thing in Orange, NJ, where these buildings stand abandoned and the city could just simply take it over in terms of the receivership program and for as little as \$8,000 convert these units to ownership for low income people and again making payments of only \$100 a month and within 8 years have the whole thing paid off, and again stabilizing the community.

So there are possibilities. Obviously, you do need money to buy homes, but when you have a median income of roughly \$27,000 and you have a significant portion of Americans making less than \$10,000, there are things that are doable and that are creative and that can be worked out.

In Los Angeles, low interest loans are coming from unions, universities, churches to buy up and convert existing rental housing,

which will not be for middle income people but for low income people and even have a mixture of low and middle income people as well working together.

And so just in terms of pragmatic government policy, you know, get these people out of public housing, get them into low income housing that can be revitalized and rehabbed.

Chairman GONZALEZ. Well, I think that that is the desire. The reality though—when you speak about these particular dwellings in East Orange, or wherever, is that you are not speaking of the orthodox public housing projects?

Dr. GILDERBLOOM. Right. I am talking about two-story brick walk-ups with eight units in them.

Chairman GONZALEZ. Public housing?

Dr. GILDERBLOOM. No, low income housing.

Chairman GONZALEZ. All right.

Dr. GILDERBLOOM. Low income rental housing.

Chairman GONZALEZ. We are not talking about the same thing then, Doctor. We are talking about an entirely different thing.

For instance, the Nehemiah project in east Brooklyn, that type of thing was made possible very much through the outline that you have suggested except there the churches through the help of the city housing and city finance and the State housing and finance authorities, were given a literally bombed out area. The city of New York couldn't get any taxes on it, so they literally gave it to the churches.

The churches raised several million dollars seed money. But in order for a family to be able to be eligible to consider purchasing they would have to have a net income of more than \$20,000, not less than \$20,000 a year. When we are talking about the average public housing tenant, we are talking about the majority of these being children in single parent households, mostly female, who have not even marginal employment. Their source of income base for rental housing is usually the AFDC or the other State welfare programs such as may exist from State to State.

So we are not talking about the same thing. We are talking about providing safe, decent housing for every family in America whether it is rental, ownership, or what have you.

There is no way that anybody in the United States, private enterprise, quasi-private enterprise, has been able to do that, to house the poor, the marginally poor, the moderate income unless it is subsidized by the Government one way or another.

When we speak about conversion, well, yes, of course it is acceptable where you have a relatively stable worker. He may be marginally employed, but he has an income and it is fairly stable.

And in my area, for instance, in my district, in that portion of San Antonio that now comprises the 20th District, we are talking about an average median family income of less than \$15,000 which is the lowest in Texas, and that is pretty low. We have some other areas that are lower, but more restricted and smaller areas.

So I think it is important, though, that we keep in mind that we are not talking about the same thing when we say we are talking about housing for the moderate income, housing for the poor, conversion of such existing housing as is susceptible of conversion, and

the poor, the truly poor as the administration says, and their needs.

Well, gentlemen, do either one of you have a question of Dr. West?

I was about to dismiss the panel because we have quite a number of witnesses.

Mr. GARCIA. I am fine, thank you, except to thank them.

Mr. TORRES. I will pass, too, Mr. Chairman.

Chairman GONZALEZ. Thank you both very much, and we will be in communication.

Dr. WEST. Thank you.

Chairman GONZALEZ. Our next panel was to consist of Congressman Claude Pepper of Florida and Mr. Anthony J. Estebez, president of the Project Advisors Corporation of Miami, but neither he nor Congressman Pepper are able to come.

Congressman Pepper is at this moment engaged in a hearing involving his own Rules Committee.

I believe we do have Mr. Luis Miranda, the chairperson, Board of Directors, and Mr. Hector Pinero, the vice chairperson, New York Hispanic Housing Coalition of New York, NY, and we will recognize the two very distinguished gentlemen and thank them for coming all the way over here on our invitation.

Mr. GARCIA. May I, Mr. Chairman, before they start the testimony?

Chairman GONZALEZ. Oh.

Mr. GARCIA. I would just like to—having known these two gentlemen for a good number of years and knowing of their work, I just would like my colleagues on this panel to know that these two young people have really made a great difference in my community of the Bronx. There is housing up today because they were there every day toiling in the vineyards to make sure that that housing got up, and I just can't thank you enough, Mr. Chairman, for inviting them because I am certain that their testimony is such that they will be able to give us some meaningful insight into some of the problems that we face in housing, especially as we know it in the city of New York.

So I would like to thank both of them for coming, and I would like to again thank you, Mr. Chairman, for inviting them.

Chairman GONZALEZ. Thank you very much, Bob, for introducing your constituents. I deeply appreciate that.

Is there any preference as to which one of the witnesses goes first?

Mr. MIRANDA. Yes, I will go first.

Chairman GONZALEZ. All right, sir, we will recognize you then and proceed from there.

STATEMENT OF LUIS A. MIRANDA, CHAIRPERSON, BOARD OF DIRECTORS, NEW YORK HISPANIC HOUSING COALITION, NEW YORK, NY

Mr. MIRANDA. Thank you very much, Mr. Chairman. Thank you very much, Congressman Garcia, members of the committee, members of the caucus. I thank you for the opportunity to speak to you

about the housing crisis that has befallen the Hispanic community in New York City.

Two weeks ago, we at the New York Hispanic Housing Coalition, sponsored a day-long conference whose theme was "Taking Inventory: Housing Demand Versus Housing Supply." It was our intention to examine the housing needs of Hispanic—in other words, to take inventory at the midpoint of what began so hopefully as the "Decade of the Hispanic."

Later on, Mr. Hector Pinero, vice chairperson of our board of directors, will outline some of the recommendations that came out of that gathering, and therefore, I would like to take this opportunity to provide context to those recommendations by giving you some idea of the housing problem that confronts Hispanics living in New York City.

Let me be clear at the outset. There is a housing emergency in New York. It is a crisis for low income families and a threat to the middle class. Its chief components are a lack of income necessary to meet the rising costs of shelter and an overwhelming demand that continues to outpace supply.

Fundamentally, for Hispanics, it has become a lack of choice. And it is the direct consequence of economic and social conditions: poverty, overcrowding, poor urban planning and an unproductive spiral of property speculation that dislocates the poor in favor of new urban gentry.

There are several barometers by which we can measure this crisis. One of them, the income data for the various ethnic groups in New York City, is particularly instructive.

According to the Stegman report commissioned by New York City's Department of Housing Preservation and Development, Puerto Ricans, who account for 12 percent of the city's population and are the largest of the Hispanic groups in New York City, comprise by far the largest proportion of households, 39 percent, to be exact, in the bottom one-fifth of annual income in New York City. In fact, Puerto Ricans' median real income declined between 1980 and 1983 more than for any other group in the survey except for the "other" category.

In addition, Puerto Rican families have a higher welfare dependency rate—nearly four times higher than the average for the entire history.

These income statistics for Hispanics—and the picture is no better for other Hispanics in New York City—translate into a housing picture that is bleak, at best.

Not only do Puerto Ricans have the lowest home ownership rates of any group, the likelihood that a family will live in a dilapidated apartment is higher for Puerto Ricans than for anyone else. And one-third of all Puerto Ricans who manage to find an apartment that is not dilapidated, still must live in housing with three or more maintenance deficiencies, and when they find such an apartment—if they have found any at all—they must, nonetheless, pay more rent as a proportion of their income, 35.4 percent, than any other ethnic group in the city.

For those who trumpet the virtues of a pristine private market, uncorrupted by Government assistance, the question becomes, why is the force of the free market, that invisible hand that is supposed

to bless all and not just some of us with the benefits of the American dream, not working? And the answer is that the market is working. It is working in exactly the same way it always has.

Let me be more specific.

In New York City, in the face of a seller's market fueled by a vacancy rate of 2.4 percent, the lowest it has been since 1970, some of the housing stock is improving, new construction in targeted areas is beginning, less abandonment is occurring, but nearly all of it is for the benefit of the city's upper income strata of the city's residents. Yet, for the vast majority of others, there are increasingly unaffordable rents, a greater degree of overcrowding, a higher proportion of segregation, and as I said earlier, an almost total lack of choice.

The findings of the various study groups that have been done in New York are clear. The latest figures show that there are only 39,594 vacant available housing units left in the city. Ten years ago, there were almost 60,000, and 20 years ago, 68,000 units. There are 36,000 fewer rental units in the city today than there were in 1981, only 4 years ago, even though the city's population has grown by 78,000 people.

Gross losses from the housing inventory totalled 69,000 for the last 3 years. This is almost three times more than new construction. It averages out close to 2,000 units lost from the inventory every single month. And while some will point to the new gain in the city of 11,000 units, this is less encouraging than it seems, because it is almost totally due to the 24,000 conversions, or in other cases new construction, which, for the most part only helps to satisfy the demand at the high end of the scale.

What we see then is both a verification of the old free-market verities, that is, that a shrinking supply and an increasing demand equals a higher price, and a ratification of longstanding historical patterns that have shown time and time again that the private market, left to its own devices and unaided by the effects of a liberal democratic state cannot be expected to provide housing for those of little means.

For decent housing, no matter what the current political ken may tell us, is not a commodity like any other. It is, along with food and clothing, one of the essentials of life. And prior to the onslaught against it that began in 1980 and continues today, it was thought to be a right of the many and not a privilege for the few.

Today in New York City, Hispanics are increasingly being pushed into the ranks of the homeless. After decades of property, an assault on our spirits, the Hispanic family is now likely to find itself either part of the 100,000 families who are being forced to double or triple up, in order to compensate for the loss of affordable units or otherwise threatened by co-op or condo conversions, their high prices and chic new establishments that decimate old, yet stable, neighborhoods.

Seen in this context, it should be clear to all that when we are talking about housing assistance, we are talking about prolife legislation. And when Government walks away from the business of housing as this national administration has done, that is both anti-family and abortive of an individual's right to decent shelter.

Today there are in New York City 605,000 households eligible for section 8 rent assistance, based on income below 80 percent of the median and payment of more than 30 percent of that income for rent; 526,000 of these are of very poor income, below 50 percent of the median.

What that means is that 22 percent of all households in our city, 31 percent of all tenants in our city, need Federal assistance to obtain adequate housing within their income levels.

The figures paint a portrait of despair: Increases in rent are now outstripping inflation. In the last 3 years, rents have risen by 24 percent, compared to the Consumer Price Index increase of 18 percent. Incomes, on the other hand, have gone down, in real terms. Today, 27 percent of all renters in New York City have incomes below the official poverty level—more than 393,000 households.

And where will they live? In the last 3 years, the number of vacant units with asking rents below \$300 declined by more than 11,000, while vacancy rates in most rent classes below \$200 per month are now under 1 percent in the city. In addition, the New York City Housing Authority reports a waiting list of 200,000 families, a great proportion of which are Hispanic. Yet vacancies here average only 3,000 units per year. Only the lucky ones will get in. Everyone else will find themselves locked out.

I hope that Mr. Carper's proposal never gets anywhere, because we will even then gentrify our public housing in New York City.

I began this presentation by informing you, the members of this committee, that there is a housing emergency in New York. I characterized the magnitude of the problem as a crisis, and I am sure you will agree, after having heard some of the grim statistics, that this is no exaggeration. Clearly, conditions are intolerable, and when something is intolerable, action must follow.

Our hope, as Hispanics, yet abides in bodies like this one, which has the capacity to act now in the face of a crisis that is agonizingly in the present and rapidly consuming our future as well.

This week, as we all know, is Hispanic Heritage Week. It should also mark, as well, the renewal of the compact between America and her immigrant children.

Good intentions alone are not enough, nor even are a few courageous politicians.

The fulfillment of the American dream requires institutional responses. And unless it is forthcoming, that heritage which American represents, of justice for all of its citizens, will have carelessly been squandered on policies that favor only the privileged one.

[The prepared statement of Mr. Miranda follows:]

TESTIMONY GIVEN BY

LUIS A. MIRANDA

CHAIRPERSON, NEW YORK HISPANIC HOUSING COALITION

BEFORE THE

HOUSE BANKING SUBCOMMITTEE

ON HOUSING

OF THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

WASHINGTON, D. C.

SEPTEMBER 18, 1985

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, I THANK YOU FOR THE OPPORTUNITY TO SPEAK TO YOU ABOUT THE HOUSING CRISIS THAT HAS BEFALLEN THE HISPANIC COMMUNITY IN NEW YORK.

TWO WEEKS AGO WE, AT THE NEW YORK HISPANIC HOUSING COALITION, SPONSORED A DAY-LONG HOUSING CONFERENCE WHOSE THEME WAS "TAKING INVENTORY: HOUSING DEMAND VS. HOUSING SUPPLY." IT WAS OUR INTENTION TO EXAMINE THE HOUSING NEEDS OF HISPANICS--IN OTHER WORDS, TO TAKE INVENTORY AT THIS, THE MID-POINT OF WHAT BEGAN SO HOPEFULLY AS THE "DECADE OF THE HISPANIC."

LATER, ONE OF MY COLLEAGUES ON OUR BOARD OF DIRECTORS WILL OUTLINE SOME OF THE RECOMMENDATIONS THAT CAME OUT OF THAT GATHERING. I, THEREFORE, WOULD LIKE TO TAKE THIS OPPORTUNITY TO PROVIDE CONTEXT TO THOSE RECOMMENDATIONS, BY GIVING YOU SOME IDEA OF THE HOUSING PROBLEM THAT CONFRONTS HISPANICS LIVING IN NEW YORK.

LET ME BE CLEAR AT THE OUTSET. THERE IS A HOUSING EMERGENCY IN NEW YORK. IT IS A CRISIS FOR LOW-INCOME FAMILIES AND A THREAT TO THE MIDDLE CLASS. ITS CHIEF COMPONENTS ARE A LACK OF INCOME NECESSARY TO MEET THE RISING COSTS OF SHELTER, AND AN OVERWHELMING DEMAND THAT CONTINUES TO OUTPACE SUPPLY.

FUNDAMENTALLY, FOR HISPANICS, IT HAS BECOME A LACK OF CHOICE. AND IT IS THE DIRECT CONSEQUENCE OF ECONOMIC AND SOCIAL CONDITIONS: POVERTY, OVERCROWDING, POOR URBAN PLANNING AND AN UNPRODUCTIVE SPIRAL OF PROPERTY SPECULATION THAT DISLOCATES THE POOR IN FAVOR OF A NEW URBAN GENTRY.

THERE ARE SEVERAL BAROMETERS BY WHICH WE CAN MEASURE THIS CRISIS. ONE OF THEM, THE INCOME DATA FOR THE VARIOUS ETHNIC GROUPS IN NEW YORK CITY, IS PARTICULARLY INSTRUCTIVE.

ACCORDING TO THE STEGMAN REPORT COMMISSIONED BY NEW YORK CITY'S DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT, PUERTO RICANS (WHO ACCOUNT FOR 12% OF THE CITY'S POPULATION, AND ARE THE LARGEST OF THE HISPANIC GROUPS IN NEW YORK) COMPRISE BY FAR THE LARGEST PROPORTION OF HOUSEHOLDS (39%) IN THE BOTTOM ONE-FIFTH OF ANNUAL INCOME IN NEW YORK CITY. IN FACT, PUERTO RICAN'S MEDIAN REAL INCOME DECLINED BETWEEN 1980 AND 1983, MORE THAN FOR ANY CATEGORY IN THE SURVEY EXCEPT THE UBIQUITOUS "OTHER."

IN ADDITION, PUERTO RICAN FAMILIES HAVE A HIGHER WELFARE DEPENDENCY RATE--NEARLY FOUR TIMES HIGHER THAN THE AVERAGE FOR THE ENTIRE CITY.

THESE INCOME STATISTICS FOR HISPANICS (AND THE PICTURE IS NO BETTER FOR OTHER HISPANICS IN THE CITY) TRANSLATE INTO A HOUSING PICTURE THAT IS BLEAK AT BEST.

NOT ONLY DO PUERTO RICANS HAVE THE LOWEST HOMEOWNERSHIP RATE OF ANY GROUP, THE LIKELIHOOD THAT A FAMILY WILL LIVE IN A DILAPIDATED APARTMENT IS HIGHER FOR PUERTO RICANS THAN FOR ANYONE ELSE. AND ONE-THIRD OF ALL PUERTO RICANS (WHO MANAGE TO FIND AN APARTMENT THAT IS NOT DILAPIDATED) STILL MUST LIVE IN HOUSING WITH THREE OR MORE MAINTENANCE DEFICIENCIES. AND WHEN THEY FIND SUCH AN APARTMENT, IF THEY HAVE FOUND ANY AT ALL, THEY MUST NONETHELESS PAY MORE RENT AS A PROPORTION OF THEIR INCOME (35.4%) THAN ANY OTHER ETHNIC GROUP.

FOR THOSE WHO TRUMPET THE VIRTUES OF A PRISTINE PRIVATE MARKET, UNCORRUPTED BY GOVERNMENT ASSISTANCE, THE QUESTION BECOMES WHY IS THE FORCE OF THE FREE MARKET, THAT INVISIBLE HAND THAT IS SUPPOSED TO BLESS ALL US AND NOT JUST SOME OF US WITH THE BENEFITS OF THE AMERICAN DREAM, NOT WORKING? AND THE ANSWER IS THAT THE MARKET IS WORKING, IN EXACTLY THE WAY IT ALWAYS HAS. LET ME BE MORE SPECIFIC.

IN NEW YORK CITY IN THE FACE OF A SELLERS MARKET FUELED BY A VACANCY RATE OF 2.04 PERCENT, THE LOWEST IT HAS BEEN SINCE 1970, SOME OF THE HOUSING STOCK IS IMPROVING, NEW CONSTRUCTION IN TARGETED AREAS IS BEGINNING, LESS ABANDONMENT IS OCCURRING, NEARLY ALL OF IT FOR THE BENEFIT OF THE CITY'S UPPER INCOME STRATA OF THE CITY'S RESIDENTS. YET, FOR THE VAST MAJORITY OF OTHERS, THERE ARE INCREASINGLY UNAFFORDABLE RENTS, A GREATER DEGREE OF OVERCROWDING, A HIGHER PROPORTION OF SEGREGATION AND, AS I SAID EARLIER, AN ALMOST TOTAL LACK OF CHOICE.

THE FINDINGS OF THE VARIOUS STUDIES THAT HAVE BEEN DONE IN NEW YORK ARE CLEAR. THE LATEST FIGURES SHOW THAT THERE ARE ONLY 39,594 VACANT AVAILABLE HOUSING UNITS LEFT IN THE CITY. TEN YEARS AGO THERE WERE 56,968 AND TWENTY YEARS AGO MORE THAN 68,000 UNITS.

THERE ARE 36,000 FEWER RENTAL UNITS IN THE CITY TODAY THAN THERE WERE IN 1981, EVEN THOUGH THE CITY'S POPULATION HAS GROWN BY 78,000 PEOPLE

GROSS LOSSES FROM THE HOUSING INVENTORY TOTALED 69,000 FOR THE LAST THREE YEARS. THIS IS ALMOST THREE TIMES MORE THAN NEW CONSTRUCTION. IT AVERAGES OUT TO 1,917 UNITS LOST FROM THE INVENTORY EVERY MONTH. AND, WHILE SOME WILL POINT TO THE NET GAIN IN THE CITY OF 11,000 UNITS, THIS IS LESS ENCOURAGING THAN IT SEEMS, BECAUSE IT IS ALMOST TOTALLY DUE TO THE 24,000 CONVERSIONS, OR IN OTHER CASES NEW CONSTRUCTION, WHICH FOR THE MOST PART ONLY HELPS TO SATISFY DEMAND AT THE HIGH END OF THE PRICE SCALE.

WHAT WE SEE THEN IS BOTH A VERIFICATION OF THE OLD FREE-MARKET VERITIES, THAT IS, THAT A SHRINKING SUPPLY AND AN INCREASING DEMAND EQUALS A HIGHER PRICE, AND A RATIFICATION OF LONG-STANDING HISTORICAL PATTERNS THAT HAVE SHOWN TIME AND

TIME AND TIME AGAIN THAT THE PRIVATE MARKET, LEFT TO ITS OWN DEVICES AND UNAIDED BY THE EFFORTS OF LIBERAL DEMOCRATIC STATE LARGESSE CANNOT BE EXPECTED TO PROVIDE HOUSING FOR THOSE OF LITTLE MEANS.

FOR DECENT HOUSING, NO MATTER WHAT THE CURRENT POLITICAL KEN MAY TELL US, IS NOT A COMMODITY LIKE ANY OTHER. IT IS, ALONG WITH FOOD AND CLOTHING, ONE OF THE ESSENTIALS OF LIFE. AND, PRIOR TO THE ONSLAUGHT AGAINST IT THAT BEGAN IN 1980 AND CONTINUES EVEN TODAY, IT WAS THOUGHT TO BE A RIGHT OF THE MANY AND NOT A LUXURY OR A PRIVILEGE FOR THE FEW.

TODAY, IN NEW YORK CITY HISPANICS ARE INCREASINGLY BEING PUSHED INTO THE RANKS OF THE HOMELESS. AFTER DECADES OF POVERTY, AND ASSAULTS ON THE SPIRIT THE HISPANIC FAMILY IS NOW LIKELY TO FIND ITSELF EITHER PART OF THE 100,000 FAMILIES WHO ARE BEING FORCED TO DOUBLE AND TRIPLE UP, IN ORDER TO COMPENSATE FOR THE LOSS OF AFFORDABLE UNITS, OR OTHERWISE THREATENED BY CO-OP OR CONDO CONVERSIONS, THEIR HIGH PRICES AND CHIC NEW ESTABLISHMENT THAT DECIMATE OLD, YET STABLE, NEIGHBORHOODS.

SEEN IN THIS CONTEXT, IT SHOULD BE CLEAR TO ALL THAT WHEN WE ARE TALKING ABOUT HOUSING ASSISTANCE WE ARE TALKING ABOUT PRO-LIFE LEGISLATION. AND WHEN GOVERNMENT WALKS AWAY FROM THE BUSINESS OF HOUSING AS THIS NATIONAL ADMINISTRATION HAS DONE, THAT IS BOTH ANTI-FAMILY AND ABORTIVE OF AN INDIVIDUAL'S RIGHT TO DECENT SHELTER.

TODAY, THERE ARE IN NEW YORK CITY 605,784 HOUSEHOLDS ELIGIBLE FOR SECTION 8 RENT ASSISTANCE, BASED ON INCOME BELOW 80 PERCENT OF THE MEDIAN AND PAYMENT OF MORE THAN 30 PERCENT OF THAT INCOME FOR RENT. 526,119 OF THESE ARE OF VERY POOR INCOME: BELOW 50 PERCENT OF THE MEDIAN.

WHAT THAT MEANS IS THAT 22.5 PERCENT OF ALL HOUSEHOLDS IN THE CITY OF NEW YORK, 31.8 PERCENT OF ALL TENANTS IN THE CITY, NEED FEDERAL ASSISTANCE TO OBTAIN ADEQUATE HOUSING WITHIN THEIR INCOME LEVELS.

THE FIGURES PAINT A PORTRAIT OF DESPAIR: INCREASES IN RENT ARE NOW OUTSTRIPPING INFLATION. IN THE LAST THREE YEARS, RENTS HAVE RISEN BY 24.5 PERCENT COMPARED TO THE CONSUMER PRICE INDEX INCREASE OF 18.1 PERCENT. INCOMES, ON THE OTHER HAND, HAVE GONE DOWN, IN REAL TERMS. TODAY, 27 PERCENT OF ALL RENTERS IN NEW YORK CITY HAVE INCOMES BELOW THE OFFICIAL POVERTY LEVEL—MORE THAN 393, 000 HOUSEHOLDS.

AND WHERE WILL THEY LIVE? IN THE LAST THREE YEARS THE NUMBER OF VACANT UNITS WITH ASKING RENTS BELOW \$300 DECLINED BY MORE THAN 11,000, WHILE VACANCY RATES IN MOST RENT CLASSES BELOW \$200 PER MONTH ARE NOW UNDER 1 PERCENT. IN ADDITION, THE NEW YORK CITY HOUSING AUTHORITY REPORTS A WAITING LIST OF 200,000 FAMILIES, A GREAT PROPORTION OF WHOM ARE HISPANIC. YET, VACANIES HERE AVERAGE ONLY 3,000 UNITS PER YEAR. ONLY THE LUCKY ONE'S WILL GET IN. EVERYONE ELSE WILL FIND THEMSELVES LOCKED OUT.

I BEGAN THIS PRESENTATION BY INFORMING YOU, THE MEMBERS OF THIS COMMITTEE, THAT THERE IS A HOUSING EMERGENCY IN NEW YORK. I CHARACTERIZED THE MAGNITUDE OF THE PROBLEM AS A CRISIS. I AM SURE YOU WILL AGREE, AFTER HAVING HEARD SOME OF THE GRIM STATISTICS, THAT THIS IS NO EXAGGERATION. CLEARLY, CONDITIONS ARE INTOLERABLE. AND WHEN SOMETHING IS INTOLERABLE, ACTIONS MUST FOLLOW. OUR HOPE, AS HISPANICS, YET ABIDES--IN BODIES LIKE THIS ONE WHICH HAS THE CAPACITY TO ACT NOW, IN THE FACE OF A CRISIS THAT IS AGONIZINGLY IN THE PRESENT AND RAPIDLY CONSUMING OUR FUTURE AS WELL.

THIS WEEK IS, AS WE ALL KNOW, HISPANIC HERITAGE WEEK. IT SHOULD ALSO MARK, AS WELL, THE RENEWAL OF THE COMPACT BETWEEN AMERICA AND HER IMMIGRANT CHILDREN.

GOOD INTENTIONS ALONE ARE NOT ENOUGH, NOR EVEN ARE A FEW COURAGEOUS POLITICIANS. THE FULFILLMENT OF THE AMERICAN DREAM REQUIRES INSTITUTIONAL RESPONSE. AND UNLESS IT IS FORTHCOMING THEN THAT HERITAGE WHICH AMERICA REPRESENTS, OF JUSTICE FOR ALL OF ITS CITIZENS, WILL HAVE CARELESSLY BEEN SQUANDERED ON POLICIES THAT FAVOR ONLY THE PRIVILEGED FEW.

Chairman GONZALEZ. Thank you very much, Mr. Miranda, for an excellent speech.

Mr. Pinero.

STATEMENT OF HECTOR PINERO, VICE CHAIRPERSON, NEW YORK HISPANIC HOUSING COALITION, NEW YORK CITY

Mr. PINERO. Mr. Chairman, members of the committee. I am grateful for the opportunity to outline for you the recommendations of the housing needs of Hispanics that came out of the Fourth Annual Housing Conference sponsored by the New York Hispanic Coalition earlier this month.

Nationally, the Federal commitment to low income housing began with the landmark housing policy of 1937, sponsored by Senator Robert F. Wagner. The major housing developments made possible in New York by that legislation and its progeny are now home to approximately one-half million New Yorkers. Yet 50 years after the Federal Government recognized the need for an aggressive national housing policy targeted to the poor, it has begun to retreat from that cause, which has been honored by eight previous Presidents, representing both major parties.

I think it is fair to say, that perhaps nothing better symbolizes the end of the so-called American Century than the rapidly fading American dream of home ownership, which as you have already heard, has never been more than a dim hope for New York's Hispanics, who have the lowest rate of home ownership than any other segment of the population.

The current housing crisis may be the worse since the Depression, yet it gives us the chance to redefine housing as a basic right and to concentrate on ways of stimulating the production of housing for a low-income market that increasingly finds itself without any decent affordable shelter.

It gives us the chance, as well, to recognize that the housing industry is unlike any other and cannot be expected to compete for scarce capital against Exxon or IBM. It would be contest. No oddsmaker in the country would take odds on that one.

Nor is the frequently heard admonition to lower our expectations a very reasonable choice, because as you have also heard, Hispanics in New York, and more pointedly, the burgeoning army of the homeless, lack even the semblance of a choice. In short, for Hispanics and for the housing industry, it is now high noon.

The housing crisis will inevitably affect the future of whole regions of the country. The New York metropolitan area alone will gain an estimate 2.7 million new households by the turn of the century, yet at the rate that housing has been built over the last decade, only half of these will find a place to live. A recent study by New York's Regional Plan Association has concluded that a shortage of housing may inhibit growth and thereby undermine local efforts to promote a healthy economy.

Limited housing then means diminished economic growth and all the hardship that that implies.

The New York Hispanic Coalition believes that Congress can take specific steps to reaffirm this Nation's historic commitment to decent, affordable shelter.

First, with respect to the matter of Treasury Two, the President's proposed tax plan must be altered. As it stands, it will remove virtually all tax incentives for construction of low-cost rental housing.

The dollar value of tax deductions: exemptions and exclusions—including depreciation, deferred and current interest, tax-exempt, tax-exempt financing, if retained, charitable contributions, and capital gains exclusion, again, the extent retained—would all be reduced substantially. Those taxpayers currently in the 50-percent bracket, would experience a 30-percent reduction in the dollar value of their deductions. A principal result would be substantial decline in syndication proceeds on a given project, from that which could currently be obtained.

In addition, the repeal of the "at risk" real estate exception by which a taxpayer real estate investor in a limited partnership can deduct both losses and his allocated share of debt, would discourage investment in low-income housing by curtailing the very tax benefits which comprise the primary return investors receive from such projects.

Historically, the "at risk" exception has been used to leverage loan funds and attract equity investments. If this provision were to pass, community development syndication would surely be rendered unmarketable.

Under Treasury Two, after-tax cash-flow would be impaired by both the lower maximum individual income tax rate, 35 percent, down from 50 percent, and new depreciation.

According to a computer analysis of a hypothetical rental project, done by David F. Harrison, vice president of Dominion Financial Projection, negative cash-flow for rental housing investors would be the rule for the first 7 years of operation. While real estate investors are currently able to claim a positive after-tax cash-flow from the beginning, the proposed changes would make that impossible, and in the end the investor would also have to settle for a lower rate of return from the sale of his property from the case now.

Others have noted that for low-income housing the combined impact of the capital cost recovery system and the proposed lower marginal income tax rate, would be to cut tax benefits from depreciation during the first 5 years of operations, by about 70 to 75 percent below the benefits now available. Syndication proceeds are attributable to these benefits and would be reduced accordingly.

The Treasury plan would further squeeze the rehab loan income investor by subjecting him to the 28-year standard depreciation schedule, instead of the current 5-year accelerated period. Because syndicated proceeds are generally directly related to the amount of deductions available in the early years of a project, the negative impact on low-income rental housing rehabilitation would be significant.

At the same time, the Tax Reform Act would withdraw the authority for public corporations to issue tax-exempt bonds for mortgages for low- and moderate-income housing.

Today, tax-exempt bonds are employed for a variety of purposes: mortgages for first-time home buyers, certain low- and moderate-income rental housing and commercial and industrial development. Moreover, the issuers of single family mortgage revenue bonds can

trade in part or all of their issuance authority for authority to issue mortgage credit certificates. These entitle home buyers, using conventional nontax-exempt mortgage financing, to a credit against their Federal income taxes equal to a portion of the mortgage interest they pay.

Under the administration's proposal, tax-exempt financing would be available only for purely public purposes, such as tax anticipation notes and bonds issued to construct government facilities or public infrastructure improvements. Housing and economic development, as strange as it seems, would not qualify as a public purpose. States and localities, under this formulation, would not have the authority to issue single family housing bonds. Thus the Mortgage Credit Certificate Program would be terminated.

Tax-exempt bonds, as everyone here knows, are a major resource for community development projects. Therefore, the prohibition on this funding source would be catastrophic.

But not only might Treasury Two lock the poor out of what is the traditional symbol of the American dream, it could also price them out of a rental. HUD's own estimates, similar in scope to that of the Treasury Department, suggest that rents would rise by 25 percent within 7 years and 30 percent in two decades, after inflation is taken into account. And increased number of condo conversions in the face of diminished tax benefits are also anticipated.

New York City, with 1.9 million rentals, 11 percent of all the rental units in the country, will be greatly affected. About half of the city's renter already pay more than 30 percent of their income. You can hardly expect them to pay more.

Clearly, if Treasury Two prevails, then this country will have managed to lose the war for decent shelter, after 50 years of winning most of the battles.

But relegating these provisions in the tax proposal to the dustbin of history is not enough.

The Hispanic would like to see this body retain section 8 certificates for existing housing at its current 15-year term. A reduction to 10 years would be one more nail in the coffin for this, the "whipping boy" of housing programs.

For Hispanics, whose income needs require a rent subsidy, it would also be devastating.

The recent elimination a \$500 million program reserve established by the Appropriations Committee to provide funds for programs not yet authorized by the full Congress, but included in H.R. 1, should also be rescinded. Among the projects to be affected are the Nemehiah Housing Demonstration Grant Program and the Second-Stage Shelter for the Homeless Program, as well as the Public Housing Child Care Demonstration, all approved once before the full Banking Committee. We believe that unless this money is restored, these development efforts, which have provided so much help to so many, will be doomed.

As it is, the current so-called 80-20 programs which provides 80 percent middle and 20 percent low-income housing cannot be relied upon alone to fill the large gap in housing production for low-income groups. The need at the low end of the scale is far greater, and the criteria should recognize it.

Beyond this, innovation in housing production must be encouraged in order to produce creative solutions to our housing needs. Homesteading, construction, and technology improvements, and energy efficiency programs must be stimulated through adequate Government assistance, in order to make affordable living units possible.

In this regard, it must be said that the administration's voucher proposals will do nothing to build more housing, despite a vacancy rate in New York of 2 percent.

It will do nothing to regulate rents for Hispanics, who continue to have the highest relative rent expense burden in the city. And it will do nothing to replace the Section 8 Rent Subsidy Program which serves 1.3 million households nationally. It will simply be one more handout of taxpayer money, this time to landlords who charge prevailing rents.

Finally, the goal set forth in the U.S. Housing Act of 1949, that of a decent home and suitable living environment for every American clearly remains to be achieved. And unless there is the political way to steer this country away from the detour it has taken in recent years and back on the road to responsibility, the ideal of opportunity will be lost, the hope which has sustained so many Hispanics for so long will die, and the American dream of prosperity will fade away.

Thank you.

[The prepared statement of Mr. Pinero follows:]

TESTIMONY GIVEN BY
HECTOR PINERO
NEW YORK HISPANIC HOUSING COALITION
BEFORE THE
HOUSE SUBCOMMITTEE
ON HOUSING AND COMMUNITY DEVELOPMENT
OF THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
WASHINGTON, D. C.
SEPTEMBER 18, 1985

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, I AM GRATEFUL FOR THE OPPORTUNITY TO OUTLINE FOR YOU THE RECOMMENDATIONS CONCERNING THE HOUSING NEEDS OF HISPANICS THAT CAME OUT OF THE FOURTH ANNUAL CONFERENCE SPONSORED BY THE NEW YORK HISPANIC HOUSING COALITION TWO WEEKS AGO.

NATIONALLY, THE FEDERAL COMMITMENT TO LOW-INCOME HOUSING BEGAN WITH THE LANDMARK UNITED STATES HOUSING ACT OF 1937, SPONSORED BY SENATOR ROBERT F. WAGNER. THE MAJOR HOUSING DEVELOPMENTS MADE POSSIBLE IN NEW YORK BY THAT LEGISLATION AND ITS PROGENY, ARE NOW HOME TO APPROXIMATELY 1/2 MILLION NEW YORKERS. YET FIFTY YEARS AFTER THE FEDERAL GOVERNMENT RECOGNIZED THE NEED FOR AN AGGRESSIVE NATIONAL HOUSING POLICY TARGETED TO THE POOR, IT HAS BEGUN TO RETREAT FROM THAT CAUSE WHICH HAS BEEN HONORED BY EIGHT PREVIOUS PRESIDENTS, REPRESENTING BOTH MAJOR PARTIES.

I THINK IT FAIR TO SAY, THAT PERHAPS NOTHING BETTER SYMBOLIZES THE END OF THE SO-CALLED "AMERICAN CENTURY" THAN THE RAPIDLY FADING AMERICAN DREAM OF HOMEOWNERSHIP--WHICH AS YOU HAVE ALREADY HEARD HAS NEVER REALLY BEEN MORE THAN A DIM HOPE FOR NEW YORK'S HISPANICS, WHO HAVE THE LOWEST RATE OF HOMEOWNERSHIP OF ANY ETHNIC GROUP IN THE CITY.

THE CURRENT HOUSING CRISIS MAY BE THE WORST SINCE THE DEPRESSION. YET, IT GIVES US THE CHANCE TO REDEFINE HOUSING AS A BASIC RIGHT AND TO CONCENTRATE ON WAYS OF STIMULATING THE PRODUCTION OF HOUSING FOR A LOW-INCOME MARKET THAT INCREASINGLY FINDS ITSELF WITHOUT ANY DECENT AFFORDABLE SHELTER.

IT GIVES US THE CHANCE, AS WELL, TO RECOGNIZE THAT THE HOUSING INDUSTRY IS UNLIKE ANY OTHER AND CANNOT BE EXPECTED TO COMPETE FOR SCARCE CAPITAL AGAINST AN

IBM OR AN EXXON. IT WOULD BE NO CONTEST. NO BOOKMAKER IN THE COUNTRY WOULD TAKE ODDS ON THAT ONE.

NOR IS THE FREQUENTLY HEARD ADMONITION TO LOWER OUR EXPECTATIONS A VERY REASONABLE CHOICE. BECAUSE, AS YOU HAVE ALSO HEARD, HISPANICS IN NEW YORK AND MORE POINTEDLY THE BURGEONING ARMY OF THE HOMELESS, LACK EVEN THE SIMBLANCE OF A CHOICE. IN SHORT, FOR HISPANICS AND FOR THE HOUSING INDUSTRY, IT IS NOW HIGH NOON.

THE HOUSING CRISIS WILL INEVITABLY AFFECT THE FUTURE OF WHOLE REGIONS OF THE COUNTRY. THE NEW YORK METROPOLITAN AREA ALONE WILL GAIN AN ESTIMATED 2.7 MILLION NEW HOUSEHOLDS BY THE TURN OF THE CENTURY. YET, AT THE RATE THAT HOUSING HAS BEEN BUILT OVER THE LAST DECADE, ONLY HALF OF THESE WILL FIND A PLACE TO LIVE. A RECENT STUDY BY NEW YORK'S REGIONAL PLAN ASSOCIATION HAS CONCLUDED THAT A SHORTAGE OF HOUSING MAY INHIBIT GROWTH AND THEREBY UNDERMINE LOCAL EFFORTS TO PROMOTE A HEALTHY ECONOMY. LIMITED HOUSING THEN, MEANS DIMINISHED ECONOMIC GROWTH AND ALL THE HARDSHIP WHICH THAT IMPLIES.

THE NEW YORK HISPANIC HOUSING COALITION BELIEVES THAT CONGRESS CAN TAKE SPECIFIC STEPS TO REAFFIRM THIS NATION'S HISTORIC COMMITMENT TO DECENT AFFORDABLE SHELTER.

FIRST, WITH RESPECT TO THE MATTER OF TREASURY TWO, THE PRESIDENT'S PROPOSED TAX PLAN MUST BE ALTERED. AS IT STANDS, IT WOULD REMOVE VIRTUALLY ALL TAX INCENTIVES FOR CONSTRUCTION OF LOW-COST RENTAL HOUSING.

THE DOLLAR VALUE OF TAX DEDUCTIONS, EXEMPTIONS AND EXCLUSIONS--INCLUDING DEPRECIATION, DEFERRED AND CURRENT INTEREST, TAX-EXEMPT FINANCING (IF RETAINED),

CHARITABLE CONTRIBUTIONS, AND CAPITAL GAINS EXCLUSIONS (AGAIN, TO THE EXTENT RETAINED)—WOULD ALL BE REDUCED SUBSTANTIALLY. THOSE TAXPAYERS CURRENTLY IN THE 50 PERCENT BRACKET, WOULD EXPERIENCE A 30 PERCENT REDUCTION IN THE DOLLAR VALUE OF THEIR TAX DEDUCTIONS. A PRINCIPLE RESULT WOULD BE A SUBSTANTIAL DECLINE IN SYNDICATION PROCEEDS ON A GIVEN PROJECT, FROM THAT WHICH COULD CURRENTLY BE OBTAINED.

IN ADDITION, THE REPEAL OF THE "AT RISK" REAL ESTATE EXCEPTION BY WHICH A TAXPAYER REAL ESTATE INVESTOR IN A LIMITED PARTNERSHIP CAN DEDUCT BOTH LOSSES AND HIS ALLOCATED SHARE OF DEBT, WOULD DISCOURAGE INVESTMENT IN LOW-INCOME HOUSING BY CURTAILING THE VERY TAX BENEFITS WHICH COMPOSE THE PRIMARY RETURN INVESTORS RECEIVE FROM SUCH PROJECTS. HISTORICALLY, THE "AT RISK" EXCEPTION HAS BEEN USED TO LEVERAGE LOANED FUNDS AND ATTRACT EQUITY INVESTMENTS. IF THIS PROVISION WERE TO PASS, COMMUNITY DEVELOPMENT SYNDICATION WOULD SURELY BE RENDERED UNMARKETABLE.

UNDER TREASURY TWO, AFTER-TAX CASH FLOW WOULD BE IMPAIRED BY BOTH THE LOWER MAXIMUM INDIVIDUAL INCOME TAX RATE (35 PERCENT, DOWN FROM 50 PERCENT) AND NEW DEPRECIATION—THE CAPITAL COST RECOVERY SYSTEM (CCRS).

ACCORDING TO A COMPUTER ANALYSIS OF A HYPOTHETICAL RENTAL PROJECT, DONE BY DAVID P. HARRIS, VICE-PRESIDENT OF DOMINION FINANCIAL PROJECTION, NEGATIVE CASH FLOW FOR RENTAL HOUSING INVESTORS WOULD BE THE RULE, FOR THE FIRST SEVEN YEARS OF OPERATION. WHILE REAL ESTATE INVESTORS ARE CURRENTLY ABLE TO CLAIM A POSITIVE AFTER-TAX CASH FLOW FROM THE BEGINNING, THE PROPOSED CHANGES WOULD MAKE THAT IMPOSSIBLE. AND IN THE END, THE INVESTOR WOULD ALSO HAVE TO SETTLE FOR A LOWER RATE OF RETURN FROM THE SALE OF HIS PROPERTY THAN IS NOW THE CASE.

OTHERS HAVE NOTED THAT FOR LOW-INCOME HOUSING THE COMBINED IMPACT OF CIRS AND THE PROPOSED LOWER MARGINAL INCOME TAX RATES, WOULD BE TO CUT TAX BENEFITS FROM DEPRECIATION DURING THE FIRST FIVE-YEARS OF OPERATIONS, BY ABOUT 70-75 PERCENT BELOW THE BENEFITS NOW AVAILABLE. SYNDICATION PROCEEDS ARE ATTRIBUTABLE TO THESE BENEFITS AND WOULD BE REDUCED ACCORDINGLY.

THE TREASURY PLAN WOULD FURTHER SQUEEZE THE REHAB LOW-INCOME HOUSING INVESTOR BY SUBJECTING HIM TO THE STANDARD 28 YEAR DEPRECIATION SCHEDULE, INSTEAD OF THE CURRENT FIVE-YEAR AMORTIZATION PERIOD. BECAUSE SYNDICATION PROCEEDS ARE GENERALLY DIRECTLY RELATED TO THE AMOUNT OF DEDUCTIONS AVAILABLE IN THE EARLY YEARS OF A PROJECT THE NEGATIVE IMPACT ON LOW-INCOME RENTAL HOUSING REHABILITATION COULD BE SIGNIFICANT.

AT THE SAME TIME, THE TAX REFORM ACT WOULD WITHDRAW THE AUTHORITY FOR PUBLIC CORPORATIONS TO ISSUE TAX EXEMPT BONDS FOR MORTGAGES FOR LOW AND MODERATE-INCOME HOUSING.

TODAY, TAX-EXEMPT BONDS ARE EMPLOYED FOR A VARIETY OF PURPOSES: MORTGAGES FOR FIRST-TIME HOMEBUYERS, CERTAIN LOW-AND MODERATE-INCOME RENTAL HOUSING, AND COMMERCIAL AND INDUSTRIAL DEVELOPMENT. MOREOVER, THE ISSUERS OF SINGLE FAMILY MORTGAGE REVENUE BONDS CAN TRADE IN PART OR ALL OF THEIR ISSUANCE AUTHORITY FOR AUTHORITY TO ISSUE MORTGAGE CREDIT CERTIFICATES (MCCs). THESE ENTITLE HOMEBUYERS USING CONVENTIONAL NON-TAX-EXEMPT MORTGAGE FINANCING, TO A CREDIT AGAINST THEIR FEDERAL INCOME TAXES EQUAL TO A PORTION OF THE MORTGAGE INTEREST THEY PAY.

UNDER THE ADMINISTRATION'S PROPOSAL, TAX-EXEMPT FINANCING WOULD CONTINUE TO BE AVAILABLE ONLY FOR PURELY PUBLIC PURPOSES, SUCH AS TAX ANTICIPATION NOTES AND

BONDS ISSUED TO CONSTRUCT GOVERNMENT FACILITIES OR PUBLIC INFRASTRUCTURE IMPROVEMENTS. HOUSING AND ECONOMIC DEVELOPMENT, AS STRANGE AS IT SEEMS, WOULD NOT QUALIFY AS A PUBLIC PURPOSE. STATES AND LOCALITIES, UNDER THIS FORMULATION WOULD NO HAVE AUTHORITY TO ISSUE SINGLE FAMILY HOUSING BONDS. THUS, THE MCC PROGRAM WOULD BE TERMINATED.

TAX-EXEMPT BONDS, AS EVERYONE HERE KNOWS, ARE A MAJOR RESOURCE FOR COMMUNITY DEVELOPMENT PROJECTS. THEREFORE, THE PROHIBITION ON THIS FUNDING SOURCE WOULD BE CATASTROPHIC.

BUT, NOT ONLY MIGHT TREASURY TWO LOCK THE POOR OUT OF WHAT IS THE TRADITIONAL SYMBOL OF THE AMERICAN DREAM, IT COULD ALSO PRICE THEM OUT OF A RENTAL. HUD'S OWN ESTIMATES, SIMILAR IN SCOPE TO THAT OF THE TREASURY DEPARTMENT, SUGGEST THAT RENTS WOULD RISE BY 25 PERCENT WITHIN SEVEN YEARS AND 30 PERCENT IN TWO DECADES, AFTER INFLATION IS TAKEN INTO ACCOUNT. AN INCREASED NUMBER OF CONDO CONVERSIONS IN THE FACE OF DIMINISHED TAX BENEFITS ARE ALSO ANTICIPATED.

NEW YORK CITY, WITH 1.9 MILLION RENTALS--11 PERCENT OF ALL RENTAL UNITS IN THE COUNTRY--WILL BE GREATLY AFFECTED. ABOUT HALF OF THE CITY'S RENTERS ALREADY PAY MORE THAN 30 PERCENT OF THEIR INCOME FOR RENT. THEY CAN HARDLY BE EXPECTED TO PAY MORE.

CLEARLY, IF TREASURY TWO PREVAILS, THEN THIS COUNTRY WILL HAVE MANAGED TO LOSE THE WAR FOR DECENT SHELTER, AFTER 50 YEARS OF WINNING MOST OF THE BATTLES.

BUT RELEGATING THESE PROVISIONS IN THE TAX PROPOSAL TO THE DUSTBIN OF HISTORY IS NOT ENOUGH.

THE HISPANIC HOUSING COALITION WOULD LIKE TO SEE THIS BODY RETAIN SECTION 8 CERTIFICATES FOR EXISTING HOUSING AT ITS CURRENT 15 YEAR TERM. A REDUCTION TO 10 YEARS WOULD BE ONE MORE NAIL IN THE COFFIN FOR THIS, THE "WHIPPING BOY" OF HOUSING PROGRAMS. FOR HISPANICS, WHOSE INCOME NEEDS REQUIRE A RENT SUBSIDY, IT WOULD ALSO BE DESTRUCTIVE.

THE RECENT ELIMINATION OF A \$500 MILLION PROGRAM RESERVE ESTABLISHED BY THE APPROPRIATIONS COMMITTEE TO PROVIDE FUNDS FOR PROGRAMS NOT YET AUTHORIZED BY THE FULL CONGRESS, BUT INCLUDED IN H.R. 1, SHOULD ALSO BE RESCINDED. AMONG THE PROJECTS TO BE AFFECTED ARE THE NEHEMIAH HOUSING DEMONSTRATION GRANT PROGRAM AND THE SECOND-STAGE SHELTER FOR THE HOMELESS PROGRAM, AS WELL AS THE PUBLIC HOUSING CHILD CARE DEMONSTRATION, ALL APPROVED ONCE BEFORE BY THE FULL BANKING COMMITTEE. WE BELIEVE THAT UNLESS THIS MONEY IS RESTORED, THESE DEVELOPMENT EFFORTS WHICH HAVE PROVIDED SO MUCH HOPE TO SO MANY WILL BE DOOMED.

AS IT IS, THE CURRENT SO-CALLED 80/20 PROGRAMS WHICH PROVIDE 80% MIDDLE AND 20% LOW-INCOME HOUSING CANNOT BE RELIED UPON ALONE TO FILL THE LARGE GAP IN HOUSING PRODUCTION FOR LOW-INCOME GROUPS. THE NEED AT THE LOW END OF THE SCALE IS FAR GREATER, AND THE CRITERIA SHOULD RECOGNIZE IT.

BEYOND THIS, INNOVATION IN HOUSING PRODUCTION MUST BE ENCOURAGED IN ORDER TO PRODUCE CREATIVE SOLUTIONS TO OUR HOUSING NEEDS. HOMESTEADING, CONSTRUCTION AND TECHNOLOGY IMPROVEMENTS, AND ENERGY EFFICIENCY PROGRAMS MUST BE STIMULATED THROUGH ADEQUATE GOVERNMENT ASSISTANCE, IN ORDER TO MAKE AFFORDABLE LIVING UNITS POSSIBLE.

IN THIS REGARD IT MUST BE SAID THAT THE ADMINISTRATION'S VOUCHER PROPOSALS WILL DO NOTHING TO BUILD MORE HOUSING, DESPITE A VACANCY RATE IN NEW YORK OF 2

PERCENT. IT WILL DO NOTHING TO REGULATE RENTS FOR HISPANICS WHO CONTINUE TO HAVE THE HIGHEST RELATIVE RENT EXPENSE BURDEN IN THE CITY. AND IT WILL DO NOTHING TO REPLACE THE SECTION 8 RENT-SUBSIDY PROGRAM WHICH SERVES 1.3 MILLION HOUSEHOLDS NATIONALLY. IT WILL SIMPLY BE ONE MORE HAND-OUT OF TAXPAYER MONEY, THIS TIME TO LANDLORDS WHO CHARGE PREVAILING RENTS.

FINALLY, THE GOAL SET FORTH IN THE U.S. HOUSING ACT OF 1949, THAT OF A DECENT HOME AND SUITABLE LIVING ENVIRONMENT FOR EVERY AMERICAN FAMILY...." CLEARLY REMAINS TO BE ACHIEVED. AND UNLESS THERE IS THE POLITICAL WILL TO STEER THIS COUNTRY AWAY FROM THE DETOUR IT HAS TAKEN IN RECENT YEARS AND BACK ON THE ROAD TO RESPONSIBILITY, THEN THE IDEAL OF OPPORTUNITY WILL BE LOST, THE HOPE WHICH HAS SUSTAINED HISPANICS FOR SO LONG WILL DIE, AND THE AMERICAN DREAM OF PROSPERITY WILL FADE AWAY.

Chairman GONZALEZ. Thank you very much, both of you, for excellent statements. You covered the ground, and I don't have any real reasonable questions you haven't already anticipated.

Mr. Garcia.

Mr. GARCIA. Yes. You know, I know these gentlemen quite well, Mr. Chairman.

Chairman GONZALEZ. Yes.

Mr. GARCIA. And I just think that Mr. Miranda has just given us a new battle cry on the floor of the Congress, and I think that it really makes a great deal of sense because we are talking about pro life and I think that it is a reality.

I just would like you to know that from here on in any debates that we face in housing or in any of the basic needs of people I am going to use that slogan because I think we are talking about pro life.

While you were talking, Hector, my housing person came over and said to me, we are going to enter this into the Congressional Record. Now with your permission, I am going to enter it today into the Congressional Record because I think it is quite good, and I want to make sure copies are available to you.

Other than that, what can I say? I mean, we get together when we can in New York City, but I am glad you are here because I think it is important on the record that people understand these are real problems.

So I thank you, too, Mr. Chairman.

Chairman GONZALEZ. Thank you very much.

Mr. GARCIA. Thank you.

Chairman GONZALEZ. Gentlemen, thank you very much again.

Our next panel is Mr. Jorge N. Hernandez, executive director of the Inquilinos Boricuas En Accion, from Boston, MA; Mr. Hipolito Roldan, executive director, Hispanic Housing Development Corp., Chicago, IL; Mr. Juan Paz, director of research, National Hispanic Council on Aging, Washington, DC; and Dr. Rumaldo Z. Juarez, Ph.D., associate professor and chair, Department of Sociology and Social Work, Pan American University, Edinburg, TX.

Gentlemen, if you have any suggestions as to the best way to proceed; that is, which witness should go first, it may be that Juan or several of you have some time problems, you may have some schedule, airlines to catch or something. So tell me frankly, and we will try to recognize you in that priority.

If not, if there is no objection, why don't we proceed counterclockwise? We will begin with Mr. Hernandez and go to my left.

**STATEMENT OF JORGE N. HERNANDEZ, EXECUTIVE DIRECTOR,
INQUILINOS BORICUAS EN ACCION, BOSTON, MA**

Mr. HERNANDEZ. Good afternoon, Chairman Gonzalez.

My name is Jorge Hernandez, and I live at 12 Rutland Square in Boston, MA. I am the executive director of IBA, Inquilinos Boricuas en Accion, possibly the largest community development corporation in Massachusetts and the largest Hispanic organization in New England.

I am also a member of the board of directors and the executive committee of the National Puerto Rican Coalition, where I chair the public policy committee.

I am honored to be here as your witness this afternoon as we celebrate our Hispanic heritage, and I want to congratulate you for the spectacular success of the annual dinner last night.

Many people have not realized that Hispanics have arrived and settled in significant numbers in New England. Today we number half a million among 12.5 million New Englanders.

Even though we are a recent arrival, our housing problems are not very different from the rest of Hispanic America or, for that matter, from poor communities throughout the land.

However, with the passage of time, Hispanics in New England have begun to buy homes and repair rented apartments and houses. Because of the complexities of the task and the need for capital, community organizations have often moved to organize housing improvement and development efforts on behalf of their neighbors and constituents because many people cannot do it alone as individuals. However, private entrepreneurs are also active and visible in many of our communities.

In Boston dissatisfaction with housing conditions aggravated by a badly kept junkyard and the threat of displacement by urban renewal served to cause some neighbors to organize a strategy to avoid urban renewal displacement, improve housing conditions, and control the development process as well as the housing and community amenities that go with it.

Under the motto of "We shall not be moved from Parcel 19"—that was the name of the parcel in the urban renewal plan—they created an organization that is known as Inquilinos Boricuas en Accion today.

After 17 years, IBA's work has resulted in a new community, a small neighborhood of 2,500 people called Villa Victoria. It is an attractive and tree-lined community in the center of the fashionable and rapidly gentrifying South End neighborhood with its quarter million dollar plus Victorian rowhouses, just four blocks away from the shining, 60-story John Hancock Tower.

IBA's work is illustrative of the work of Hispanic community-based organizations involved in housing and economic development throughout the country. It includes the following accomplishments: 815 units of housing in Villa Victoria and 42 units outside, 679 of which were developed by the organization for its own account.

By early 1986, a completed commercial redevelopment and public facilities program first laid out in 1968 and including the Plaza Betances retail facility with its 17,000 square feet of commercial space occupied, among others, by the South End Federal Credit Union—the only Hispanic financial institution in eastern Massachusetts, with 800 accounts and over \$425,000 in assets—as well as other community businesses and services like daycare, a cable TV studio, a bodega, et cetera.

The Villa Victoria Community Center, a 15,000 square foot facility, the first Hispanic performance and community center facility in Boston.

And our office building at 405 Shawmut Avenue that gives us 5,000 square feet of space at \$3.60 a square foot per year.

IBA has also organized a housing management company known as ETC, a wholly owned affiliate, which manages the residential, commercial, and public facilities in Villa Victoria.

It has developed a human services program that sees over 1,400 people every year, including services to families, elderly, and youth as well as legal services.

It has organized an arts and humanities program called Areyto that promotes talent, works in the public schools, and has helped develop leadership and positive role models for youth. That program includes what we call WIBA canal 6, the IBA communications program, which trains Hispanics in media through on-the-job opportunities in the production of 26 shows per year for the Boston cable television system, citywide.

While Villa Victoria and its institutions and services have grown, IBA and its affiliates and their assets have remained controlled by the residents through the election of members to the board of directors. It is a resident controlled corporation.

This control of assets and capital have been critical to our undertaking housing and community development projects. Our money has not been flown outside of the community for somebody else to lie down on the beach somewhere and have a good life. We have put it to use back in the community.

IBA's work is the result of unique circumstances in Boston's South End combined with a specific vision of community development that has recognized the interrelationship of physical, social, and economic development measures. It has tried to respond to needs and opportunities in the Puerto Rican community and to serve as a catalyst to promote progress and the increased sophistication of the community over time. And in that sense it is also representative of the work of Hispanic community based organizations throughout the country.

However, it is significant to note that IBA's work and accomplishments are based on housing programs devised by the Federal and State governments over the last 25 years. That includes section 8, section 11(b), section 236, section 221(d)(3), public housing turnkeys and all those programs. These include access to credit as well as interest cost reduction, rental assistance, insurance, and property disposition programs that have been complemented by human services and community development grant programs.

Those rowhouses and apartments are the ones that have provided the spatial structure around which a community fabric has been woven, and that is very, very important. Without that physical infrastructure, we would not have what we have today.

Our experience tells us there are some basic elements to be considered in formulating housing policies and strategies in Hispanic communities.

First, housing must be made affordable. We need strategies to cut construction costs and to otherwise make the units affordable through rental subsidies or the subsidization of interest or any other similar mechanisms, including the acquisition of land through urban renewal land acquisition grants.

Attempts should be made to make sure the tax reform bill does not destroy the incentives in the Tax Code that attract private cap-

ital to stimulate the production of low and moderate income housing nor tax-exempt financing for that matter.

Second, and very important, increasingly so, the Department of Housing and Urban Development should look at alternatives that prevent outright auctioning of federally assisted apartments to the highest bidder if said housing is viable and if tenants show an interest in remaining in the housing in order to work out other occupancy alternatives.

In Boston alone, we have about 4,000 units that have been federally assisted for several years that have been threatened by just plain auctioning; 4,000 families, mostly minority families, who may see all of a sudden their units turn into condos in one of the hottest markets in the country if their HUD-assisted units are auctioned off.

The work of the Boston Housing Partnership with HUD in this area bears a lot of promise as a role model for others. BHP is trying to prevent highest bidder awards by a scheme to involve community development corporations in the rehabilitation of the housing as part of an antidisplacement program.

Also, balance is needed between programs that support production of housing, like section 8 set-asides, 312 loan programs, et cetera, and programs that focus on the consumer, like housing certificates, et cetera. I don't believe that we should have one or the other alone.

For example, in the city of Boston we have had a housing inflation of 31 percent in price over the last year. If you had a housing voucher program and a \$200 subsidy for a \$400 apartment, the math tells you that it wouldn't take too long for that voucher to be worthless and for that family to have to come up with twice as much now. Absent production you have a problem of inflation and uselessness for vouchers in low vacancy markets.

I think it would be a grave, grave mistake to convert, to privatize the public housing. It is really a resource for people who have nowhere else to go, and it is true that they are small and badly built in many places, but actually they are very sound for the most part. It took a lot of dynamite to get rid of Pruitt-Igoe. [Laughter.]

They are small, and they were designed with maybe other times in mind, but they are a resource for a whole lot of people that have nowhere else to go, and if we eliminate it we are just eliminating options for those people.

I think we should look for alternatives for them and maintain public housing as an option.

Substandard housing must be improved. A good combination of Federal programs like Rental Rehab and the 312 Loan Program with local types of housing improvement programs such as those funded with the community development block grant is desirable and has been shown to work in numerous occasions throughout the whole country. There are hundreds of experiences of community based organizations and individuals who have made those programs work for poor people in their communities.

Housing policy for Hispanics should also aim at increasing home ownership rates and promote other measures of control over turf that may facilitate long term socioeconomic development and the individual and collective accumulation of capital. This is critical be-

cause in the past for most migrant groups home ownership has been a way to entering the middle class by accumulating some capital and being able to save up for the future.

Antidisplacement demonstration efforts should be supported so that people in the communities can put their energies toward a better future and not toward moving around like nomads.

Fair housing laws should be protected and enforcement improved. They are in shambles right now.

Social support services should also be available to multiple problem families. Those female single heads of households with their children on AFDC, Mr. Chairman, really need a lot of support, and this support can be concentrated, and should be concentrated, on specific housing developments.

The housing improvement and production roles of community based organizations must also be strengthened so their past successes can be exceeded in the future.

Also, our responsible private entrepreneurs play a relevant role in providing housing, and they merit support.

Public-private partnerships aimed at the development of capacity and the increased production of housing must be stimulated. I know of some efforts that merit attention.

The Boston Housing Partnership, which I just mentioned, is a consortium of bankers, community developers, and public officials and other resource people with a goal to produce more affordable housing.

Another one is the technical assistance project of the National Puerto Rican Coalition that aims at building local capacity to improve housing conditions throughout several cities in the Northeast.

Also, assistance programs like grants and loans and technical assistance, as undertaken by the Local Initiatives Support Corp., and the Enterprise Foundation are very critical.

We also need support for local initiatives that train our people to be part of the industry as employees or entrepreneurs, whether as members of the building trades, developers, or housing professionals.

Villa Victoria is one of many living proofs that Hispanics are a resourceful people who are interested in building a better future for themselves and future generations.

I hope this hearing helps all of us improve the public and private policies and programs that will help make that a reality.

Thank you very much for this opportunity to offer testimony.
[The prepared statement of Mr. Hernandez follows:]

TESTIMONY
OF
JORGE N. HERNANDEZ, EXECUTIVE DIRECTOR
INQUILINOS BORICUAS EN ACCION
BOSTON, MASSACHUSETTS

BEFORE THE
SUBCOMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
OF THE
BANKING, FINANCE AND URBAN AFFAIRS COMMITTEE
OF THE
UNITED STATES HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 1985

Good afternoon. Chairman Gonzalez and members of the Subcommittee on Housing, my name is Jorge N. Hernandez and I live at 12 Rutland Square in Boston, Massachusetts. I am the Executive Director of IBA, Inquilinos Boricuas en Accion, possibly the largest community development corporation in Massachusetts and the largest Hispanic organization in New England. I am also a member of the Board of Directors and the Executive Committee of the National Puerto Rican Coalition where I chair the Public Policy Committee. I am honored to be here as your witness this afternoon as we celebrate our Hispanic heritage. Allow me to pause, please, to congratulate the members of the Hispanic Congressional Caucus for the spectacular success of the Annual Dinner last night.

Many people have not realized that Hispanics have arrived and settled in significant numbers in New England. Today we number 500,000 among 12.5 million new Englanders. Over the last 25-35 years, we have settled in the many urban centers, sometimes after many years as migrant workers in the tobacco fields or cranberry bogs of the region. In Boston we number 50,000 with a similar number in the other communities of the metropolitan area. In Hartford and other cities we make up maybe as many as a third of the total population. Hispanic New Englanders are mostly of Puerto Rican origin (50-60%). There are also significant concentrations of Cubans, Dominicans and Colombians and increasing numbers of Central Americans. On the average, Puerto Ricans are the poorest and they share rundown inner city neighborhoods with groups from other nationalities. In spite of dislocation created by migration, Hispanic families tend to be large and extended,

particularly in the case of Puerto Ricans who can travel freely between the Island and the U.S. The average person is young and in many communities the median age of the population is below 20 years. The youth of the community can be observed in Boston where Hispanics are a higher proportion of the student population in the school system (16%) than of the total city population (8%).

Our communities are generally poor. They have high proportions of unemployed, idle youth and families on public assistance. They are heavily taxed by drug trafficking and other crime. However, in spite of the difficulties, New England Hispanics are moving ahead thanks to the many farmworkers, factory workers, maids, janitors, storekeepers and other hard working people who have built our communities. It is significant that higher number of their descendants are becoming secretaries, office workers, teachers, social workers, public employees and even lawyers, doctors and businessmen.

As in the case of so many others preceding them, these people settled in rundown neighborhoods where they began to build institutions and community life. It has not been easy: Hispanics pay a very high proportion of their low incomes as rent, have often been relegated to substandard private housing or deteriorated public housing, are often not welcome in some neighborhoods while being pushed out of others by economic forces and gentrification. Thus, housing issues of Hispanic communities in New England are most probably not very different than those of Hispanic America or poor communities throughout the land.

With the passage of time, Hispanics in New England have begun to buy homes and repair rented apartments and houses. Because of the complexities of the task and the need for capital, community organizations have often moved to organize housing improvement and development efforts on behalf of their neighbors or constituents. However, private entrepreneurs are also active and visible.

In Boston, dissatisfaction with housing conditions aggravated by a badly kept junkyard and the threat of displacement by urban renewal served to cause some neighbors to organize a strategy to avoid urban renewal displacement, improve housing conditions, and control the development process as well as the housing and community amenities. Under the motto "We shall not be moved from Parcel 19", they created an organization that is known as Inquilinos Boricuas en Accion today. After 17 years, IBA's work has resulted in a new community, a small neighborhood of 2,500 called Villa Victoria. It is an attractive and tree lined community in the center of the fashionable and rapidly gentrifying South End neighborhood with its quarter million dollar plus Victorian rowhouses, just four blocks away from the shining, 60-story John Hancock Tower.

IBA's work includes the following accomplishments:

1. 815 units of housing in Villa Victoria and 42 units outside, 679 developed by the organization for its account.
2. By early 1986 a completed commercial redevelopment and public facilities program first laid out in 1968 and including:
 - a. Plaza Betances retail facility with its 17,000 of space occupied by:
 - 1) South End Federal Credit Union-the only Hispanic financial institution in Eastern Massachusetts has 800 accounts and over \$425,000 in

assets, IBA-organized.

- 2) La Plaza Laundromat-IBA organized.
 - 3) Medina's Market-IBA assisted
 - 4) ETC Management Company-IBA affiliate
 - 5) Escuelita Agueybana day care-IBA founded
 - 6) Villa Victoria Youth Club-IBA sponsored
 - 7) Canal 6 Communications studio.-IBA program
 - 8) Proposed restaurant
 - 9) Proposed government agency.
- b) The Villa Victoria Community Center, at 15,000 sf, the first Hispanic performance facility in Boston.
- c) IBA Office Building at 405 Shawmut Avenue- 5,000 square feet.

3. IBA has also organized a housing management company known as ETC, a wholly-owned affiliate, which manages the residential, commercial and public facilities in Villa Victoria.
4. Developed a human services program that sees over 1,400 people every year.
5. Organized an arts and humanities program called Areyto, that promotes talent, works in the public schools and has helped develop leadership and positive role models for youth.
 - a. WIBA Canal 6, the IBA communications program, is part of Areyto and trains Hispanics in media through on the job opportunities in the production of 26 shows per year for the Boston Cable television system, citywide.

While Villa Victoria and its institutions and services have grown, IBA and its affiliates and their assets have remained controlled by the residents through the election of members to the Board of Directors.

IBA's work is the result of unique circumstances in Boston's South End combined with a specific vision of community development that has recognized the interrelationship of physical, social and economic development measures. It has tried to respond to needs and opportunities in the Puerto Rican community and to serve as a catalyst to promote progress and the increased sophistication of the community over time.

However, it is significant to note that IBA's work and accomplishments are based on housing programs devised by the federal and state governments over the last twenty five years. These include access to credit, as well as interest cost reduction, rental assistance, insurance, and property disposition programs that have been complemented by human services and community development grant programs. But yet, those rowhouses and apartments have provided the spatial structure around which a community fabric has been woven.

Our experience tells us there are some basic elements to be considered in formulating housing policies and strategies in Hispanic communities.

1. Housing must be made affordable. We need strategies to cut construction costs, and to otherwise make the units affordable through rental subsidies or the subsidization of interest or any other similar mechanisms.
 - a. Attempts should be made to make sure the tax reform bill does not destroy the incentives in the tax code that attract private capital

to stimulate the production of low and moderate income housing.

- b. The Department of Housing and Urban Development should look at alternatives that prevent outright auctioning of federally assisted apartments to the highest bidder if said housing is viable and if tenants show an interest in remaining in the housing in order to work out other occupancy alternatives. The work of the Boston Housing Partnership with HUD in this area bears a lot of promise as a role model for others. BHP is trying to prevent highest-bidder awards by a scheme to involve community development corporations in the rehabilitation of the housing as part of an anti-displacement program.

2. Substandard housing must be improved. A good combination of federal programs like rental rehab and the 312 loan program with local types of housing improvement programs (many funded by the Community Development Block Grant) is desirable and has been shown to work in numerous occasions.
3. Housing policy for Hispanics should also aim at increasing homeownership rates and promote other measures of control over turf that may facilitate long term socioeconomic development and the individual and collective accumulation of capital.
4. The housing improvement and production roles of community based organizations must be strengthened so their past successes can be exceeded in the future. Responsible private entrepreneurs also play a relevant role in providing housing they merit support.

5. Anti-displacement demonstration efforts should be supported so that people can put their energies towards a better future and not towards moving around like nomads.
6. Fair housing laws should be protected and enforcement improved.
7. Social support services should be available to multiple problem families concentrated in specific housing development.
8. Public/private partnerships aimed at the development of capacity and the increased production of housing must be stimulated. I know of some efforts that merit attention:
 - a. Boston Housing Partnership-a consortium of bankers, community developers, public officials and other resource people with a goal to produce more affordable housing.
 - b. The technical assistance project of the National Puerto Rican Coalition that aims at building local capacity to improve housing conditions.
 - c. Assistance programs (grants, loans and technical assistance) as undertaken by the Local Initiatives Support Corporation and the Enterprise Foundation.
9. We also need support for local initiatives that train our people to be part of the industry as employees or entrepreneurs whether as members of the building trades, developers or housing professionals.

Villa Victoria is one of many living proofs that Hispanics are a resourceful people who are interested in building a better future for themselves and future generations. I hope this hearing helps all of us improve the public and private policies and programs that will help make this a reality.

Thank you very much for the opportunity to offer testimony.

Chairman GONZALEZ. Well, thank you, Mr. Hernandez, for a tremendous statement here and for the work and your leadership in the Boston area and other communities.

Mr. Roldan.

**STATEMENT OF HIPOLITO ROLDAN, EXECUTIVE DIRECTOR,
HISPANIC HOUSING DEVELOPMENT CORP., CHICAGO, IL**

Mr. ROLDAN. I want to take the opportunity to thank you, Mr. Chairman, for having me represent the great silent Latino population in the Midwest, which is incidentally pegged to be about 1,200,000 people on a regional basis.

Dr. West earlier mentioned that really the traditional thinking has the East and the West as the major concentrations of Hispanics. Certainly they are, but there are certainly large numbers of Hispanics in the Midwest, and I am glad to be here.

My name is Hipolito Roldan, and I am the executive director of Hispanic Housing Development Corp., a Chicago-based nonprofit housing development and property management corporation.

I have been asked to provide testimony today regarding the housing conditions of the general Latino community of Chicago, and in fact I have limited my comments exclusively to the housing conditions in Chicago.

I would like to preface my comments by first providing some background information on myself and the organization I represent.

I have a master's degree in urban planning and for 15 years have worked for various community organizations in New York—you can tell by the accent. That was Brooklyn I came from—and Chicago.

The past 12 of those years have been spent exclusively in neighborhood housing and economic development.

For the past 8 years I have been directing the development and property management and training activities of the Hispanic Housing Development Corp., a nonprofit organization which operates on a citywide basis in Chicago and which was created on the recommendation of a task force commission by Gov. Daniel Walker in 1975.

Hispanic's board of directors come from a variety of social and professional backgrounds, with roots in most of Chicago's Hispanic communities.

I think that it is important that I note that we are not a community-based organization. We are operating within the Latino community. Our perspective and definition of community is one which has to do with race and ethnicity as opposed to geographic boundaries within Chicago.

Rev. Daniel Alvarez, Hispanic housing's president, is director of Casa Central, Illinois largest Hispanic social service agency.

As the first director of the corporation, I have been responsible for the planning and development of over \$32 million worth of real estate within various Hispanic communities of Chicago, including large-scale substantial rehabilitations, rental properties, newly constructed elderly housing, and the development of scattered site infill homes which were sold to moderate-income home buyers.

In addition, Hispanic housing is currently managing 648 units of low- and moderate-income housing in Chicago.

Chicago is the dominant center for Latino settlement in the Midwest and ranks fourth in Latino population among the Nation's urban centers. There are more Mexicans in Los Angeles, more Puerto Ricans in New York, and more Cubans in Miami; however, Chicago has a large population of each of these, in proportions almost equal to the national average, truly a diversity of Latino communities without equal and a vital proving ground for measuring assimilation of Hispanics into America's social, economic, and political structures.

The population growth of Latinos in Chicago has been dramatic, especially during the last decade. The census of 1850 reported Illinois to have 52 Mexican residents. By 1960, there were a total of 82,000 Spanish speaking persons in the city. The Latino population had more than doubled by 1980, the census reporting 247,300 Latinos, which constituted about 7 percent of the city's population, with all indicators pointing toward a low count, especially with regard to recent immigrants.

By the early 1970's, census-based housing data on Latinos first appeared. A 1973 analysis by the city's department of development and planning reported that only 18 percent of Chicago's Latinos owned homes, about half the level for non-Latinos in the area.

Overcrowding was also cited as a big problem. One-fourth of Latino families were living in homes or apartments with less than one person.

But one per person. Latinos also were more likely to live in older housing. Of Latino renters in Chicago 79 percent lived in housing that was more than 30 years old. Less than 2 percent of the renters and 1 percent of the homeowners were in new buildings.

By 1980, Latino numbers in the city increased by 70.6 percent over 1970. The Census reported 442,000 Latinos in the city, approximately 15 percent of the city's population. Of these, 61 percent were listed as Mexican; 26 percent were Puerto Rican; 10 percent were listed as other, and about 3 percent were Cubans.

Today, Latino population of the city of Chicago was estimated to have grown to over 600,000 persons or 20 percent, one-fifth of the total population of Chicago. Despite the tremendous growth in Chicago's Latino community, Latino homeownership rates increased only slightly since 1970. According to the 1980 census, 24 percent of Latinos owned their own homes. But this was still 37 percent below the rate for the rest of the population.

Of course, income plays a large role in the housing market access. As a rule, homeowners have higher incomes than do renters. According to 1980 census data, Latino homeownership rates in the city were 37 percent below the citywide average while the median family income levels were 30 percent lower than the white median.

Latino families in the city had a median income of \$15,630 compared to \$22,100 for white families and \$13,700 for blacks.

Twenty-four percent of Latino families lived at or below the poverty level, compared to 11 percent for whites and 32 percent for blacks.

Gross income differences, therefore, can explain some housing problems, but by themselves do not tell the entire story.

In addition, median family incomes citywide mask some significant income differences between Latino neighborhoods and ethnic groups. For example, median family incomes in the Humble Park West Town areas are about \$13,500 and \$11,900 respectively, far below the \$15,600 Latino citywide average. On average, Puerto Rican families are less than Mexican incomes which are less than Cuban incomes in the city.

Therefore, important neighborhood differences are sometimes masked when citywide or overall Latino numbers are used to target housing programs.

Overall, the amount of rental housing in Chicago has steadily declined in recent years. All eight community areas with at least 30 percent Latino population experienced a decrease in housing units from 1970 to 1980. It is important in that the fact that the Latino population in Chicago was the fastest growing ethnic group in the city.

Statistics from the Department of Inspectional Services show that most of the demolished units were two to four flat rental units, the best type of housing suited to Latinos. One of the problems we confront when we go into a neighborhood to develop housing, rehabilitated housing, is that most of the stock are one-bedroom and studio apartments and we find ourselves trying to convert multiple apartments into one apartment to accommodate large families.

As well, the Department's figures fail to account for the number of abandoned and deteriorating units. There are approximately 7,000 units being abandoned in Chicago on a yearly basis. There are 4,000 being produced; 500 of those are in neighborhoods. So of the 7,000 units that are being lost, 5,500 of those net are in communities, low and moderate income communities.

I've included a table which shows that, in fact, in the six larger Hispanic areas of Chicago, there has, in fact, been a decrease in the total amount of renting housing available; that is, abandonment and demolitions are taking their toll on these neighborhoods.

Despite evidence of their need for low cost housing, Latinos receive only about 2 percent of the family housing provided by three programs administered by the Chicago Housing Authority, CHA, and the Department of Housing and Urban Development. Conventional public housing, section 8 housing and scattered site housing. The conventional program is the largest in the country with a total of 30,500 apartments; total occupancy is about 114,900 persons, paying an average of \$82 a month. And I think that's an important statistic.

There was some conversation earlier about how you convert public housing into homes for low- and moderate-income people. Well, it's a known fact that public housing is heavily subsidized to greater and lesser degrees in certain cities, but, I think, in Chicago, about 65 percent of the operating costs of the projects are basically coming from Federal Government, are subsidized. About 35 percent come from out of pocket income derived from the tenants.

The waiting list in CHA is 22,400 persons long. Of these, 80 percent are Latino. Basically, the waiting period for that is 2 years.

Despite conclusive evidence of their need for low income housing, Latinos received only 2 percent—2 percent—of the city's of the CHA family housing units.

Comparative numbers for whites and blacks are 3 percent and 95 percent, respectively. Throughout the years, Latinos have not participated in the program. In 1970, Latino occupancy stood at 1 percent of the total. In 14 years, Latino participation has virtually stood still and is now pegged at 1.8 percent. In fact, it's gone down a bit.

CHA staffing makes so influence Latino participation. CHA's staff includes managers who make policy, determine project location, and clerical staff who execute policy and serve as a source of advertising for new CHA programs.

Currently, there are no Latinos on the CHA board of directors; only 1 out of 151 managers are Latinos. And only 15 out of 447 clerical workers on CHA staff are Latinos. That's a little bit less than 2 percent.

As a result, information and recruitment did not seem to reach Latinos. Most new programs and expansions of old ones were advertised to current residents and participants in other CHA programs. Therefore, segregated project sites, lack of outreach and CHA staffing served to influence who would get CHA housing.

Latinos as a rule were excluded from that process. CHA existing section 8 waiting list is currently 55,000 applicants long. Rent certificates are now being given to people who registered in June of 1978, a wait of 6 years.

In 1983, only 2 percent of the total section 8 subsidies went to Latinos. This is particularly discouraging because the program designates private units, many of which are currently in Latino neighborhoods.

CHA's scattered site new construction program also provides a substantial rehabilitation of existing multifamily buildings. Latino participation has been severely hindered by the Chicago Gatrow ruling, which sought through racially discriminatory practices in connection with selection of sites and assignments of tenants for public housing in the city of Chicago. The Trow family is like those receiving regular section 8 assistance in Chicago were predominantly black. Only 1 percent of the Gatrow families were Latinos, while 90 percent were black and 7 percent white.

Latino occupancy and participation in traditionally financed HUD and Illinois Housing Development Authority projects has also been dismally low. In 1983, Hispanic Housing Development Corp. initiated an overall study of the use of Federal and State housing dollars within the Hispanic community of Chicago.

The results indicated a vast disparity between the size of the Hispanic population currently estimated at 20 percent and the use of State and housing funds.

I'd just like to take a couple of minutes to quickly go over a map which was the result of that study, which shows basically the placement of a number of projects that were built over a decade long period of time, financed by both HUD and the Illinois Housing Development Authority. Maybe I can—

[Mr. Roldan introduced a map.]

Mr. ROLDAN. When we submitted it, we got turned down. We decided just to take a closer look at where the dollars were going, not only the 202's, section 8, 236's—basically, all of the housing unit funds are flowing through the Federal and State housing programs.

So, simply, what we did, we took a community outline map which showed 77 communities in the city of Chicago, shaded it in into the 10 largest Hispanic areas, which ranged from 21 percent Hispanic to a high 77 percent Hispanic, and then every single project that was financed during that decade long period.

Well, what happens when you start to look at it, it rapidly shows the kind of methodical exclusion of a good chunk of the city which represents Latinos; of the total 280 projects, there were 22 projects, a total of about 2,400 units in Hispanic communities. A total of 46,000 apartments, Hispanics occupied about 5 percent of those—about 2,600.

Importantly, there were no 202 projects in any of the communities and, therefore, the occupancy in elderly projects, they were outside of the Hispanic community was a little bit less than 2 percent. I think it's important when it comes to elderly housing to understand that elderly people cannot leave their communities or their neighborhoods. Their churches, their friends, their relatives are all there, and their roots are there as well. So because of that fact, Hispanics had very little access to elderly housing.

The one important thing that this study got us was that the following year, after beating certain people over the head with the map and this study, we probably got a project going in Chicago.

Thank you very much.

[The prepared statement of Mr. Roldan follows:]

TESTIMONY ON THE HOUSING CONDITIONS
OF THE LATINO COMMUNITY OF CHICAGO
PROVIDED TO THE HOUSE BANK,
FINANCE, AND URBAN AFFAIRS COMMITTEE,
SUBCOMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

HIPOLITO ROLDAN
EXECUTIVE DIRECTOR
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SEPTEMBER 18, 1985

GOOD AFTERNOON, I AM HIPOLITO ROLDAN, EXECUTIVE DIRECTOR OF HISPANIC HOUSING DEVELOPMENT CORPORATION A CHICAGO-BASED, NON-PROFIT HOUSING DEVELOPMENT AND PROPERTY MANAGEMENT CORPORATION. I'VE BEEN ASKED TO PROVIDE TESTIMONY TODAY REGARDING THE HOUSING CONDITIONS OF THE GENERAL LATINO COMMUNITY OF CHICAGO. I WOULD LIKE TO PREFACE MY COMMENTS BY FIRST PROVIDING SOME BACKGROUND INFORMATION ON MYSELF AND THE ORGANIZATION I REPRESENT. I HAVE A MASTERS DEGREE IN URBAN PLANNING AND FOR THE PAST FIFTEEN YEARS HAVE WORKED FOR VARIOUS COMMUNITY ORGANIZATIONS IN NEW YORK (BROOKLYN) AND CHICAGO. THE PAST TWELVE OF THOSE YEARS HAVE BEEN SPENT EXCLUSIVELY IN NEIGHBORHOOD HOUSING AND ECONOMIC DEVELOPMENT. FOR THE PAST EIGHT YEARS I'VE BEEN DIRECTING THE DEVELOPMENT, PROPERTY MANAGEMENT AND TRAINING ACTIVITIES OF HISPANIC HOUSING DEVELOPMENT CORPORATION, A NON-PROFIT ORGANIZATION WHICH OPERATES ON A CITY-WIDE BASIS, AND WAS CREATED ON THE RECOMMENDATION OF A TASK FORCE COMMISSIONED BY GOVERNOR DANIEL WALKER IN 1975. HISPANIC'S BOARD OF DIRECTORS COME FROM A VARIETY OF SOCIAL AND PROFESSIONAL BACKGROUNDS, WITH ROOTS IN MOST OF CHICAGO'S HISPANIC COMMUNITIES. THEIR DIVERSIFIED EXPERIENCE IN FIELDS OF LAW, BANKING, BUSINESS, GOVERNMENT, AND COMMUNITY SERVICE HAS PROVIDED A WIDE RANGE OF EXPERIENCE AND EXPERTISE IN FORMING POLICY FOR THE CORPORATION. REV. DANIEL ALVAREZ, HISPANIC HOUSING'S PRESIDENT IS DIRECTOR OF CASA CENTRAL, ILLINOIS' LARGEST HISPANIC SOCIAL SERVICE AGENCY. AS THE FIRST DIRECTOR OF THE CORPORATION I HAVE BEEN RESPONSIBLE FOR THE PLANNING AND DEVELOPMENT OF OVER \$32 MILLION WORTH OF REAL ESTATE WITHIN VARIOUS HISPANIC COMMUNITIES OF CHICAGO, INCLUDING LARGE SCALE SUBSTANTIAL REHABILITATIONS OF RENTAL PROPERTIES, NEWLY CONSTRUCTED ELDERLY HOUSING, AND THE DEVELOPMENT OF SCATTERED-SITE INFILL HOMES WHICH WERE SOLD TO MODERATE HOMEBUYERS. IN ADDITION, HISPANIC HOUSING IS CURRENTLY MANAGING 648 UNITS OF LOW AND MODERATE INCOME HOUSING IN CHICAGO.

Done

CHICAGO IS THE DOMINANT CENTER FOR LATINO SETTLEMENT IN THE MID-WEST AND RANKS FORTH IN LATINO POPULATION AMONG THE NATION'S URBAN CENTERS. THERE ARE MORE MEXICANS IN LOS ANGELES, MORE PUERTO RICANS IN NEW YORK AND MORE CUBANS IN MIAMI, HOWEVER CHICAGO HAS A LARGE POPULATION OF EACH OF THESE IN PROPORTIONS ALMOST EQUAL TO THE NATIONAL AVERAGE, TRULY A DIVERSITY OF LATINO COMMUNITIES WITHOUT EQUAL, AND A VITAL "PROVING-GROUND" FOR MEASURING ASSIMILATION OF HISPANICS INTO AMERICA'S SOCIAL, ECONOMIC AND POLITICAL STRUCTURES.

THE POPULATION GROWTH OF LATINOS IN CHICAGO HAS BEEN DRAMATIC ESPECIALLY DURING THE LAST DECADE. THE CENSUS OF 1850 REPORTED ILLINOIS TO HAVE 52 MEXICAN RESIDENTS, BY 1960 THERE WERE A TOTAL OF 82,000 "SPANISH-SPEAKING" PERSONS IN THE CITY. THE LATINO POPULATION HAD MORE THAN DOUBLED BY 1980, THE CENSUS REPORTING 247,343 LATINOS CONSTITUTING 7% OF THE CITY'S POPULATION, WITH ALL INDICATORS POINTING TOWARD A LOW COUNT ESPECIALLY WITH REGARD TO RECENT IMMIGRANTS.

BY THE EARLY 1970'S CENSUS-BASED HOUSING DATA ON LATINOS FIRST APPEARED. A 1973 ANALYSIS BY THE CITY'S DEPARTMENT OF DEVELOPMENT AND PLANNING REPORTED THAT ONLY 18% OF CHICAGO'S LATINOS OWNED HOMES, ABOUT HALF THE LEVEL FOR NON-LATINOS IN THE AREA. OVER-CROWDING WAS ALSO CITED AS A BIG PROBLEM. ONE-FORTH OF LATINO FAMILIES WERE LIVING IN HOMES OR APARTMENTS WITH LESS THAN ONE ROOM PER PERSON. LATINOS WERE ALSO MORE LIKELY TO LIVE IN OLDER HOUSING -- 79% OF LATINO RENTERS IN CHICAGO LIVED IN HOUSING THAT WAS MORE THAN 30 YEARS OLD. LESS THAN 2% OF THE RENTERS AND 1% OF THE HOMEOWNERS WERE IN NEW BUILDINGS.

BY 1980 LATINO NUMBERS IN THE CITY INCREASED BY 70.6% OVER 1970. THE CENSUS REPORTED 442,063 LATINOS IN THE CITY, 14.6% OF THE CITY'S POPULATION. OF THESE, 61% WERE LISTED AS MEXICAN, 26% WERE PUERTO RICAN, 10% WERE LISTED AS OTHER (PRIMARILY CENTRAL AND SOUTH AMERICAN),

3% WERE CUBANS. TODAY THE LATINO POPULATION OF THE CITY OF CHICAGO IS ESTIMATED TO HAVE GROWN OVER 600,000 OR 20% OF THE TOTAL POPULATION.

DESPITE THE TREMENDOUS GROWTH IN CHICAGO'S LATINO COMMUNITY, LATINO HOMEOWNERSHIP RATES INCREASED ONLY SLIGHTLY SINCE 1970. ACCORDING TO THE 1980 CENSUS, 24% OF LATINOS OWNED THEIR OWN HOMES, BUT THIS WAS STILL 37% BELOW THE RATE FOR THE REST OF THE POPULATION.

OF COURSE, INCOME PLAYS A LARGE ROLE IN HOUSING MARKET ACCESS. AS A RULE, HOMEOWNERS HAVE HIGHER INCOMES THAN DO RENTERS. ACCORDING TO 1980 CENSUS DATA, LATINO HOMEOWNERSHIP RATES IN THE CITY WERE 37% BELOW THE CITY-WIDE AVERAGE, WHILE THEIR MEDIAN FAMILY INCOME LEVELS WERE 30% LOWER THAN THE WHITE MEDIAN. LATINO FAMILIES IN THE CITY HAD A MEDIAN INCOME OF \$15,630 COMPARED TO \$22,178 FOR WHITE FAMILIES, AND \$13,724 FOR BLACKS. TWENTY-FOUR PERCENT OF LATINO FAMILIES LIVED AT OR BELOW THE POVERTY LEVEL, COMPARED TO 11% FOR WHITES AND 32% FOR BLACKS. GROSS INCOME DIFFERENCES, THEREFORE, CAN EXPLAIN SOME HOUSING PROBLEMS, BUT BY THEMSELVES DO NOT TELL THE ENTIRE STORY.

FOR LATINOS, OTHER IMPORTANT VARIABLES INCLUDE FAMILY SIZE AND AGE. ACCORDING TO THE CENSUS, LATINO FAMILIES ARE, ON AVERAGE, LARGER (A MEAN OF 4.1 COMPARED TO 3.2 FOR WHITES IN THE CITY). AMONG LATINO COUPLES, 74% HAD CHILDREN UNDER 18, A RATE FAR HIGHER THAN WHITES OR BLACKS. IN THE CITY, 68% OF LATINO CHILDREN UNDER 18 LIVED IN HOUSEHOLDS WITH A MARRIED COUPLE PRESENT, COMPARED TO 77% OF WHITES AND 35% OF BLACKS. WITH THIS IN MIND, LATINO PER CAPITA INCOMES ARE, IN MANY CASES, LOWER THAN BLACK OR WHITE FAMILIES WITH SIMILAR FAMILY INCOMES.

IN ADDITION, MEDIAN FAMILY INCOMES CITY-WIDE MASK SOME SIGNIFICANT INCOME DIFFERENCES BETWEEN LATINO NEIGHBORHOODS AND ETHNIC GROUPS. FOR EXAMPLE, MEDIAN FAMILY INCOMES IN THE HUMBOLDT PARK AND WEST TOWN AREAS ARE \$13,538 AND \$11,932 RESPECTIVELY, FAR BELOW THE \$15,630 LATINO CITY-WIDE AVERAGE. ON AVERAGE, PUERTO RICAN FAMILIES ARE LESS THAN MEXICAN INCOMES, WHICH ARE LESS THAN CUBAN INCOMES IN THE CITY. THEREFORE, IMPORTANT NEIGHBORHOOD DIFFERENCES ARE MANY TIMES MASKED WHEN CITY-WIDE OR OVERALL LATINO NUMBERS ARE USED TO TARGET HOUSING PROGRAMS.

AGE IS ALSO ANOTHER IMPORTANT INCOME AND HOUSING RELATED FACTOR. IN 1980, THE LATINO MEDIAN AGE IN THE CITY WAS 22.2, COMPARED TO 24.9 FOR BLACKS AND 38.7 FOR WHITES IN THE CITY. ACCORDINGLY, A YOUNG, FAST-GROWING POPULATION, WITH LARGE FAMILIES SETTLING IN DECLINING NEIGHBORHOODS, WILL SUFFER SEVERE HOUSING PROBLEMS AS THE DEMANDS FOR LOW-COST HOUSING FAR OUTSTRIP DIMINISHING HOUSING SUPPLIES.

OVERALL THE AMOUNT OF RENTAL HOUSING IN CHICAGO HAS STEADILY DECLINED IN RECENT YEARS. ALL EIGHT COMMUNITY AREAS WITH AT LEAST 30% LATINO POPULATION EXPERIENCED A DECREASE IN HOUSING UNITS FROM 1970 TO 1980. STATISTICS FROM THE DEPARTMENT OF INSPECTIONAL SERVICES SHOW THAT MOST OF THE DEMOLISHED UNITS WERE 2-4 FLAT RENTAL UNITS -- THE TYPE BEST SUITED TO HOUSE LATINOS. AS WELL, THE DEPARTMENT'S FIGURES FAIL TO ACCOUNT FOR THE NUMBER OF ABANDONED AND DETERIORATING UNITS. NONETHELESS, ONCE MODERATELY PRICED RENTAL UNITS, SUCH AS 2-4 FLATS ARE EITHER DEMOLISHED, REHABILITATED, OR CONVERTED TO CONDOMINIUMS, HOUSING OPPORTUNITIES FOR LATINOS DIMINISH -- UNLESS NEWER SUBSIDIZED UNITS OR RENT VOUCHERS ARE MADE AVAILABLE.

PERCENTAGE OF TOTAL UNITS VACANT -- 1970 TO 1980

<u>COMMUNITY AREA</u>	<u>1970</u>	<u>1980</u>
S. LAWNDALE (LITTLE VILLAGE)	5.7	7.5
L.W. SIDE (PILSEN)	10.1	11.6
HUMBOLDT PARK	5.7	9.9
WEST TOWN	9.2	12.7
S. CHICAGO	6.4	7.3
LOGAN SQUARE	5.5	9.3

SOURCE: U.S. CENSUS 1970, 1980

AS THE TABLE SHOWS, THE VACANT OR DEMOLISHED UNIT PERCENTAGES HAVE INCREASED IN EVERY AREA LISTED. ESPECIALLY HARD HIT WERE THE WEST TOWN, HUMBOLDT PARK, PILSEN, AND LOGAN SQUARE AREAS.

ONE EXAMPLE OF NEIGHBORHOOD CHANGE BROUGHT ON BY HOUSING PRESSURES INVOLVES THE LINCOLN PARK COMMUNITY. IN 1970, THE AREA WAS 24% LATINO, BUT BECAUSE INCREASED REHABBING, DEMOLITION, AND CONDO CONVERSIONS DROVE UP HOUSING COSTS, LINCOLN PARK'S 1980 LATINO POPULATION WAS A THIRD OF WHAT IT WAS A DECADE EARLIER. SIMPLY, AS THE HOUSING SUPPLY TIGHTENS AND THE DEMANDS CREATED BY RAPIDLY GROWING POPULATION INCREASE, FEWER LOW INCOME UNITS ARE AVAILABLE. THE END RESULT USUALLY INVOLVES MOVING TO LESS EXPENSIVE -- AND ALMOST ALWAYS -- MORE CROWDED AND DETERIORATED APARTMENTS.

DESPITE EVIDENCE OF THEIR NEED FOR LOW-COST HOUSING, LATINOS RECEIVE ONLY ABOUT 2% OF THE FAMILY HOUSING PROVIDED BY THE THREE PROGRAMS ADMINISTERED BY THE CHICAGO HOUSING AUTHORITY(CHA) AND THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD), CONVENTIONAL PUBLIC HOUSING, SECTION 8 HOUSING AND SCATTERED SITE HOUSING.

THE CONVENTIONAL PROGRAM IS THE SECOND LARGEST IN THE COUNTRY WITH A TOTAL OF 30,555 APARTMENTS, TOTAL OCCUPANCY IS 114,916 PERSONS PAYING AN AVERAGE OF \$82 A MONTH. THE WAITING LIST IS 22,444 PERSONS LONG, OF THESE 8% ARE LATINO. THE ESTIMATED WAIT FOR THE GENERAL LIST IS TWO YEARS.

DESPITE CONCLUSIVE EVIDENCE OF THEIR NEED FOR LOW-INCOME HOUSING, LATINOS RECEIVED ONLY 2% OF THE CHA'S FAMILY HOUSING UNITS. COMPARATIVE NUMBERS FOR WHITES AND BLACKS ARE 3% AND 95% RESPECTIVELY. THROUGHOUT THE YEARS, LATINOS HAVE NOT PARTICIPATED IN THE PROGRAM. IN 1970, LATINO OCCUPANCY STOOD AT 1% OF THE TOTAL. IN FOURTEEN YEARS LATINO PARTICIPATION HAS VIRTUALLY STOOD STILL AND IS NOW PEGGED AT 1.8%.

CHA STAFFING MAY ALSO INFLUENCE LATINO PARTICIPATION. CHA STAFF INCLUDES MANAGERS WHO MAKE POLICY AND DETERMINE PROJECT LOCATION, AND CLERICAL STAFF WHO EXECUTE POLICY AND SERVE AS A SOURCE OF ADVERTISING FOR NEW CHA PROGRAMS. CURRENTLY, THERE ARE NO LATINOS ON THE CHA BOARD OF DIRECTORS, ONLY 1 OUT OF 151 MANAGERS, AND ONLY 15 OUT OF 447 CLERICAL WORKERS ON THE CHA'S STAFF ARE LATINOS. AS A RESULT, INFORMATION AND RECRUITMENT DID NOT SEEM TO REACH LATINOS. MOST NEW PROGRAMS AND EXPANSIONS OF OLD ONES WERE ADVERTISED TO CURRENT RESIDENTS AND PARTICIPANTS IN CHA'S OTHER PROGRAMS. THEREFORE, SEGREGATED PROJECT SITES, LACK OF OUTREACH, AND CHA STAFFING SERVED TO INFLUENCE WHO WOULD GET CHA HOUSING. LATINOS, AS A RULE, WERE EXCLUDED FROM THAT PROCESS.

CHA EXISTING SECTION 8 WAITING LIST IS CURRENTLY 55,000 APPLICANTS LONG. RENT CERTIFICATES ARE NOW BEING GIVEN TO PEOPLE WHO REGISTERED IN JUNE 1978, A WAIT OF SIX YEARS. IN 1983 ONLY 2% OF THE TOTAL SECTION 8 SUBSIDIES WENT TO LATINOS, THIS IS PARTICULARLY DISCOURAGING BECAUSE THE PROGRAM DESIGNATES PRIVATE UNITS, MANY OF WHICH ARE IN LATINO NEIGHBORHOODS.

CHA'S SCATTERED-SITE NEW-CONSTRUCTION PROGRAM ALSO INVOLVES THE SUBSTANTIAL REHABILITATION OF EXISTING MULTI-FAMILY BUILDINGS. LATINO PARTICIPATION HAS BEEN SEVERELY HINDERED BY THE CHICAGO "GAUTREAUX RULING" WHICH SOUGHT TO END RACIALLY DISCRIMINATORY POLICIES IN CONNECTION WITH THE SELECTION OF SITES AND ASSIGNMENTS OF TENANTS FOR PUBLIC HOUSING IN THE CITY OF CHICAGO. GAUTREAUX FAMILIES, LIKE THOSE RECEIVING REGULAR SECTION 8 ASSISTANCE IN CHICAGO WERE PREDOMINANTLY BLACK. ONLY 1% OF THE GAUTREAUX FAMILIES WERE LATINOS, WHILE 90% WERE BLACK AND 7% WERE WHITE.

LATINO OCCUPANCY AND PARTICIPATION IN TRADITIONALLY-FINANCED HUD AND ILLINOIS HOUSING DEVELOPMENT AUTHORITY (IHDA) PROJECTS HAS ALSO BEEN DISMALLY LOW. IN 1983, HISPANIC HOUSING DEVELOPMENT CORPORATION INITIATED AN OVERALL STUDY OF THE USE OF FEDERAL AND STATE HOUSING DOLLARS WITHIN THE HISPANIC COMMUNITY OF CHICAGO. THE RESULTS INDICATED A VAST DISPARITY BETWEEN THE SIZE OF THE HISPANIC POPULATION, CURRENTLY ESTIMATED AT 20%, AND THE USE OF FEDERAL AND STATE HOUSING FUNDS. (A COPY OF THE STUDY IS ATTACHED.)

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CHICAGO MULTI-FAMILY HOUSING PROJECT FUNDING STUDY

The rejection for funding of the Casa/Hispanic proposed Section 202 project prompted Hispanic to initiate an overall study of the use of Federal and State housing dollars within the Hispanic community of Chicago. Preliminary findings indicate a vast disparity between the size of the Hispanic population in Chicago (estimated at 18% in 1983) and the use of Federal and State housing funds.

Research Methodology

On a City of Chicago "Community Areas" map ten communities which contained 21% (1980 Census) or more Spanish-speaking population were identified. Any Chicago housing development funded by HUD or IHDA (Illinois Housing Development Authority) over the last 8-10 years were sited on the map. This includes funding under Sections 236, 8, 221(d)(3), 221(d)(4), 202, 220, 232, 242 of the Housing Act. Information was gathered from HUD's computerized Multi-Family Project Status and Control Report, list of active sponsors for projects under construction, and a list of projects with subsidies, IHDA's annual reports, HUD tenant occupancy form #980 (which was discontinued approximately two years ago), conversations with HUD and IHDA staff and site visits to a sampling of developments, and on-site mail box or tenant directory readings.

Findings

1. Of the 288 developments containing 46,436 units funded in Chicago during this period, 22 or 7.6% were located in the ten "Hispanic" communities.
2. Of the 46,436 total units, 2469 or 5.3% were located in the selected Hispanic communities.
3. Of the 2469 units in the 22 projects sited in Hispanic communities, tenancy by Hispanics averaged 35% or approximately 864 units actually occupied by Hispanic tenants.
4. Hispanic tenancy in projects outside of the selected "Hispanic" communities was approximately 4% or 1758 units.
5. There has never been a Section 202 elderly housing development funded in a "Hispanic" community or sponsored by a Hispanic organization in the entire state of Illinois.
6. Occupancy by Hispanic elderly in existing Section 202 projects city-wide is less than 2%.
7. Total number of residential units of government funded housing tenanted by Hispanics city-wide is 5.6% or 2622.

Conclusions

1. The Hispanic community in Chicago has been substantially short-changed in its use of, and access to federal housing dollars. Our study map showing sitings of funded HUD and IHDA developments shows what appears to be a systematic methodical exclusion of Latino areas.
2. Siting developments almost exclusively in non-Hispanic areas has dramatically reduced Hispanic tenancy in HUD projects because of the tendency for a family to remain in a familiar cultural environment and the real social resistance met when a family decides to move "out".
3. Marketing personnel in projects funded "outside" of Hispanic areas have not seriously pursued affirmative marketing goals required by law.
4. The elderly of any nationality tend not to travel outside their communities to find housing. The effect of this tendency has virtually excluded elderly Latinos from occupancy in federally funded Section 202 projects designed specifically for the elderly, but drawing its tenancy from its immediate surroundings.
5. The almost total exclusion from the HUD and IHDA funding process of Hispanic developers has worked against the economic evolvement of the Latino community, affecting the entire spectrum of financial growth from basic construction employment and sub-contracting, to capital formation and business development.

SUMMARY - CHICAGO MULTI-FAMILY HOUSING
PROJECT FUNDING STUDY¹

	<u>ENTIRE CITY</u>	<u>NON-HISPANIC AREAS (%)</u>	<u>HISPANIC AREAS (%)²</u>
Total Projects Funded	288	266 (92.3%)	22 (7.6%)
Total Housing Units	46,436	43,967 (94.6%)	2,469 (5.3%)
Actual Number of Units Occupied By Hispanics (As % of Total)	2,622 (5.6%)	1,758 (3.7%)	864 (1.8%)
Section 202 Elderly Projects Funded	29	28 (96.5%)	1 (Non-Elderly Handicapped - 9 units)
Hispanic Occupancy in Section 202 Units	45 (1.9%)	45 (1.9%)	0

- 1) Conducted by Hispanic Housing Development Corporation
October 1982-April 1983.
- 2) Hispanic areas are defined as those communities containing 21%
or more spanish-speaking population.

Chairman GONZALEZ. Thank you. Let me say again, a tremendous statement and from an area of the country, as you well pointed out, that has been very substantial in its Hispanic heritage. We've known for years that many of the Hispanics from the Southwest went up to the Chicago area, across the way there to Gary, IN, and the steel mills, and their children are there now.

And they're an integral part of those communities. I've had the great, great privilege of visiting those areas in the past. So I'm very well aware and we're deeply grateful to you for your presence, coming all the way up here, and then your most valuable presentation.

Our next panelist is Mr. Juan Paz, who is the director of research of the National Hispanic Council on Aging, here in Washington, DC.

Thank you, Mr. Paz.

STATEMENT OF JUAN PAZ, DIRECTOR OF RESEARCH, NATIONAL COUNCIL ON AGING, WASHINGTON, DC

Mr. PAZ. Chairman Gonzalez, I wish to begin by thanking you for this opportunity to testify before this committee.

[Speaking in Spanish.]

For the record, in English, my name is Juan Paz and I am originally from the city of El Paso, TX.

It is indeed heartwarming to see that contributions made by Hispanics are being recognized in the various cultural activities of Hispanic Heritage Week. Among us there are those who have the opportunity to participate in such activities; however, for many others, their prime concern is to have a decent roof over their heads.

The bulk of the testimony presented here is from my past experience as a researcher, social worker and volunteer advocate in a displacement project here in Alexandria, VA. As such, this testimony is on the issues of displacement, homelessness, housing for Hispanics and housing for the elderly.

Displacement is currently a threat tearing at the foundation of many Hispanic communities around the country, since it is forcing many persons to move out of their barrios. In some cases, persons have lived in their neighborhoods for decades and the forced move brings with it tremendous personal crisis for the tenants.

Presently, Hispanics are being displaced in cities from coast to coast, such as San Francisco; Mesa, AZ; Denver, CO; El Paso, TX; Orlando, FL; Silver Spring, MD; and Alexandria, VA; to name a few.

Alexandria, VA is currently the site of a major displacement battle caused by the city's use of tax-exempt finance bonds. These bonds are used to induce developers to redevelop an entire community of 1,400 dwelling units in an area known as Alexandria. And here I would like to digress a little from my prepared statement.

It is true that tax exempt bonds creates housing in new construction. However, it displaces people when it is used for acquisition/rehabilitation purposes. Rehabilitation done by for-profit developers renders housing units unaffordable. Rehabilitation forces out

the actual low-income residents. Often displacing people on a large scale basis.

Alexandria is a classic example of city government working in the interest of business developers and not its constituents. It is also an example of continuing discrimination and racism directed to Hispanics in housing, especially in communities where the growth of Hispanics is a phenomena of the past decade.

In its attempt to bring increased business and more middle income residents, the city of Alexandria, in the words of its chief planner, was trying to rush through zoning changes in order to expedite business enterprise without notifying the residents of the affected community. The zoning changes would create the infrastructure necessary to maximize developer's profits while displacing up to 90 percent of the present occupants.

Despite the fact that the proposal would affect 1,400 dwelling units for approximately 3,000 persons, the city government did not see fit to consult the Alexandria area residents, much less translate the information for the benefit of Hispanic residents who account for a large proportion of the group to be affected, which includes numerous older persons.

Using Alexandria as an example, several policy issues are brought up which point out that housing issues have to be dealt with at the Federal level. Local jurisdictions with limited finances are often unwilling to allocate funds for basic housing for Hispanics. Their attitude is one that has identified other priorities and is rampant with parochialism.

Hispanics in new-growing communities in cities such as Alexandria and Washington, DC, are often viewed as intruders, transients, and a convenient pool of cheap labor. On a recent television program on a local community access station, the director of housing for the city of Alexandria exemplified this by stating that: These people are not native Alexandrians and Alexandria has no basic responsibility in housing these people.

HOMELESSNESS

Homelessness in America is not a desirable state of being. Instead, it is a direct result of what happens to people when the economic pressures of financing a home becomes too great. Today, in this country, there is increasing evidence of homelessness among Hispanics, especially in large urban areas such as San Antonio, San Francisco, and Washington, DC.

There is evidence of older senior citizens on a fixed income who, due to rent increases, are forced out in the street. These persons survive by staying overnight with friends and collecting recyclable goods, which they collect in order to have some pocket money. It is not uncommon to see elderly women collecting aluminum cans at midnight or at night to sell the following morning and have the means of survival.

While homelessness among the elderly may not be rampant among our community yet, the fact that it exists is a symptom of the larger problem of inadequate housing programs. In the case of the elderly, the potential for homelessness is great, since many live

on a fixed income and the majority have an income well below the poverty level.

Those persons who are, on the other hand, able to gather the resources necessary to get out of their homeless situation find it difficult because of numerous problems. At times, they find that their financial resources may force them to live in substandard housing, while other persons encounter discrimination from persons who do not want to rent housing to elderly persons or because they belong to a minority group.

Housing is a human need issue for the elderly. When decision-makers are designing housing programs, they must take into account the totality of factors that determine the housing needs of individuals. In the case of the Hispanic elderly, there are some variables which must be considered in planning for this population.

First, the Hispanic elderly population is the fastest growing population among the elderly group.

Second, for the most part, it is a low-income population with limited financial resources.

Third, the majority are concentrated in urban areas.

Fourth, the vast majority speak Spanish and a great number of them are literate in Spanish only.

Fifth, research points to the fact that most live close to a family member and many prefer to live in areas with various generations present.

As the number of older persons grows, the need for adequate housing for the elderly population is increasing also. This calls for an increase in the number of programs providing housing for the elderly.

In the Island of Puerto Rico, for example, the current allotment of housing units under the Section 202 Program for the entire island is about 104 units, not even scratching the surface of the actual housing needs of that population.

Presently, the 202 programs of housing for the elderly have been held at their current budget, according to Reagan administration statistics, and they may project some cuts in the near future.

Creative financing and family policy in housing for the elderly is needed that will allow them choices about where they want to live and who they want to live with. Housing programs that require them to live in age segregated housing for the most part is undesirable for those persons who value contact with their family. Most older persons who prefer to live close to or with their family do so out of a need for their own personal well-being and safety. To require them to live outside of their family circle would render them vulnerable and fearful for their safety.

It is, indeed, unfortunate that the needs of the elderly are often left out of the planning processes that provides housing for the total elderly population. During a recent housing conference held in August in Fort Worth, Dr. S. Kelly Mosley from the University of Houston described plans for a continuing care retiring community. Primarily, it was designed for senior citizens in the \$20,000 to \$200,000 annual-income range, totally disregarding the needs of the low-income, elderly population.

This points out the fact that the needs of the Hispanic elderly are often excluded from programs by design. In order to avoid this

from happening, it is recommended that any housing plans or programs that are federally supported must by design include allowances for the inclusion of low-income Hispanic, older persons.

Presently, there is a need for assisted living housing for the at risk and frail elderly. This type of housing provides meals, social activity, and physical activity. There is also a need for more support environment housing, which takes on the form of congregate care living facilities.

The two main housing issues for the elderly are affordability and access. First of all, the housing must be within the elderly's economic means and not place them under a financial strain.

Second, the housing must be accessible to them, conveniently located in desirable living areas that provide them with the instrumentalities for the task of living. Accessibility also refers to adequate modes of transportation, such as public transportation.

For the most part, housing problems for Hispanics are economic problems. The largest barrier to decent housing is rising costs and, at this point, it is also maintaining the housing that we have. The demand for standard housing for Hispanics is great, but the supply is low.

In Puerto Rico, for example, there are presently 76,085 applications pending for low income, federally assisted units, and only 1,788 applications for rental rehabilitation certificates. This situation is multiplied many times over in other larger metropolitan areas, where there is often exploitation of persons. The cases of exploitation in housing against Hispanic is not new; however, it is a problem that is on the rise again with the recent arrival of Central American immigrants. It is very common to find numerous situations of substandard, overcrowded and even abandoned housing where persons are living at exorbitant prices. Here in Washington, you can easily find six Hispanic persons living in a townhouse basement, paying \$750 a month rent.

During the course of a recent research project that we are presently conducting in Hartford, CT, it was discovered that many older persons are living in abandoned and condemned buildings because all alternative forms of housing have been exhausted and were unavailable.

The housing problem is compounded by the fact that there is a decreasing amount of standard rental housing for low-income persons. Efforts in housing rehabilitation have been focusing on small properties and are not on large-scale properties. The cost of new constructions have been escalating as well as the cost of rehabilitation, which are often passed on to the consumer, tax-exempt-bonding options have not been very successful in attracting the needed, large-scale participation of the private sector in housing construction.

In some of the areas of the country there are new approaches and ideas being developed by persons in efforts to address their pressing housing needs. At times, their housing strategies call for changes in the way in which we have traditionally viewed housing.

It is necessary to begin by reminding ourselves that the right to safe, decent and affordable housing has been a major right of persons in this country since the passage of the U.S. Housing Act in the 1930's. It has as a basic tenet the notion that people should not

have to pay more than 25 to 30 percent of their income for standard housing.

The problems of the inner city have seen the rise of the formations of tenants organizations. They sometimes take possession of an abandoned building and rehabilitate it with the intent of legally taking possession of it by forming a co-op or tenants organization to administer the building; since the owner has abandoned the building, it ideally becomes the property of those who occupy it and rehabilitate it and this is still being tested out in points throughout the country.

Currently, the Supreme Court will have to review a case which deals with the right of localities to pass rent control legislation in their communities. While rent control exists in some States, it is seen as a vital mechanism for displacement prevention throughout the country.

National rent control laws may have to be considered for addressing problems of a low supply of low-income housing for a great demand. The concept of the right of tenancy is important for the elderly, since it is based on the notion that persons that have occupied a rental unit for long periods of time have established equity and have the first right to occupy the unit in case of a conversion or rehabilitation.

This means that in the case of a conversion, or rehabilitation, the tenant would have primacy, first right to purchase or continue as a tenant. Federal legislation should be enacted establishing the right of tenancy for low-income families and especially for the elderly. It is necessary to begin by reaffirming the principle that everyone has a right to decent standard and affordable housing.

Second, it is necessary to mandate all agencies that are involved with the planning and building of housing be required to plan for the low-income populations, with special attention given to the needs of the elderly.

Availability, assessability and affordability are the three main housing barriers for Hispanics. As a result, there is a need to increase the production of housing units for low-income and fixed-income persons by requiring specific set-asides for the elderly in housing developments that are induced by Federal tax and subsidy programs.

The Federal Government needs to take the lead in the provision of housing for the low-income population, especially in areas where local governments are unwilling or unable to take positive action. Creative housing programs must be developed in order to identify projects that can rehabilitate vacant innercity buildings. In Washington, DC, for example, where there is a big housing crisis, there are numerous empty and abandoned buildings that could serve for this purpose. These buildings can be rehabilitated with cost effective measures in order to contain rental or purchase costs.

The Department of Housing and Urban Development should increase the number of section 202 and section 8 independent living facilities and locate them in Hispanic neighborhoods. HUD must increase the funding of Hispanic sponsors to stimulate the building of adequate housing for older constituencies. This can be achieved by encouraging communities to use tax exempt bonds as an incen-

tive for nonprofit organizations to become sponsors of housing programs.

The rapid increase in the Hispanic elderly population points to a need to stimulate the development of innovative housing alternatives. Hispanic older persons must be allowed to maintain the right of choice of housing in their own communities.

Local departments of housing and community development should sponsor the building of accessory apartments, for example. Accessory apartments are small complete units which are installed in surplus space in oversized single-family homes. Their reductions in the rent would be made in exchange for needed services such as child care, and both parties would benefit from social reinforcement. Programs of shared housing for persons of all ages should be expanded. For the purposes of these programs, existing housing in good repair can be used without renovation. The cost of housing should not exceed more than 30 percent of a person's or family's income. Efforts should be made at cost containment in the construction and rehabilitation of housing units.

Finally, all entities involved in housing should review all policies that, when combined with housing policies, have the potential to force the elderly into separate housing. By this is meant programs such as Food Stamps, which, by the way, in your city of San Antonio, and this is a case that we found in San Antonio, some States allocate more funds to older persons living alone than to older persons living with a spouse or their family.

And the case that we found in San Antonio when we conducted an interview of an elderly couple was an elderly gentleman who was told by the food stamp worker that if he were separated from his wife, they would receive more food stamps than they are receiving by living together.

Evidence in such cities indicates that such policies prevent elderly persons from getting either food stamps or affording decent housing.

In summarizing, it is necessary to point out that the current state of the art in housing for Hispanics is tearing at the foundation of some of our social institutions, such as our families and neighborhood. The problems of housing can render large numbers of persons marginal and even homeless.

It is necessary for your committee to begin to take a concerted ecological or wholistic approach for providing decent affordable housing for Hispanics. The Federal Government needs to take an active role in safeguarding the housing rights of low income persons in view of the fast growing demand of our population. The desired goal being to increase the amount of housing available, to make the housing affordable to low-income persons, and to make the housing accessible to all the members of our community.

Thank you, Chairman Gonzalez.

[The prepared statement of Mr. Paz follows:]

HOUSING ISSUES FACING HISPANICS

Juan Paz, NSW-National Hispanic Council on Aging

Mr. Chairman, members of the committee, I wish to thank you for this opportunity. It is indeed heartwarming to see that contributions made by Hispanics are being recognized in the various cultural activities of Hispanic Heritage Week. Among us there are those who have the opportunity to participate in such activities, however for many others their prime concern is to have a decent roof over their heads.

The bulk of the testimony presented here is from my past experiences as a researcher, social worker, and volunteer advocate in a displacement project here in Alexandria, Virginia. As such this testimony is on the issues of displacement, homelessness, housing for Hispanics and housing for the elderly.

DISPLACEMENT

Displacement is the involuntary or forced movement of people from their homes thru no fault of their own. Often the circumstances surrounding displacement are beyond the persons control (Dolbeare, 1978). Displacement moves people out of their homes and often out of their neighborhood. Every year over 2.5 million Americans are displaced as a result of conversions, inflation, abandonment, arson and demolition (Hartman, et al., 1981). Displacement is currently a threat tearing at the foundation of many Hispanic communities around the country since it is currently forcing many persons to move out of their barrios and colonias. In some cases persons have lived in their neighborhood for decades and the forced move brings with it tremendous personal prices for the tenants.

Presently Hispanics are being displaced in cities from coast to coast, cities such as San Francisco, Mesa, Arizona, Denver, El Paso, Texas, Orlando, Florida, Silver Spring, Md. and Alexandria, Virginia to name a few.

Alexandria, Virginia is currently the site of a major displacement battle caused by the city's use of tax exempt finance bonds. These bonds are used to induce developers to redevelop an entire community of 1,400 dwelling units in an area known as Arlandria.

Arlandria is a classic case of city government working in the interest of business developers and not its constituents. It is also an example of continuing discrimination and racism directed to Hispanics in housing, especially in communities where the growth of Hispanics is a phenomena of the past decade. In its attempts to bring increased business and more middle-income residents, the city of Alexandria in the words of its chief planner was trying to "rush thru" zoning changes in order to expedite the business enterprise without notifying the residents of the affected community. The zoning changes would create the infrastructure necessary to maximize developers profits while displacing up to 95% of the present occupants. Despite the fact that the proposal would affect 1,400 dwelling units, the city government did not see fit to consult the Arlandria area residents, much less translate the information for the benefit of Hispanic residents who account for a large proportion of the group to be affected which includes numerous older persons.

Using Arlandria as example, several policy issues are brought up which point out that housing issues have to be dealt with at the federal level. Local jurisdictions with limited finances are often unwilling to allocate funds for basic

housing for Hispanics. Their attitude is one that has identified other priorities and is rampant with parochialism. Hispanics in new growing communities in cities such as Alexandria, and Washington, D.C. are often viewed as intruders, transients, and a convenient pool of cheap labor. On a recent television program on a local community access station the Director of Housing for the City of Alexandria exemplified this by stating that "these people are not native Alexandrians and Alexandria has no basic responsibility in housing these people."

HOMELESSNESS

Homelessness in America is not a desirable state of being instead it is a direct result of what happens to people when the economic pressures of financing a home become too great. Today in this country there is increasing evidence of homelessness among Hispanics, especially in large urban areas such as San Antonio, San Francisco and Washington, D.C. There is evidence of older senior citizens on a fixed income who due to rent increases are forced out in the street. These persons survive by staying overnight with friends and collecting recyclable goods which they can in order to have some pocket money. It is not uncommon to see elderly women collecting aluminum cans at night to sell the following morning.

While homelessness may not be rampant among our communities, the fact that it exists is a symptom of the larger problem of inadequate housing programs. In the case of the elderly the potential for homelessness is great since many live on a fixed income and the majority have an income below the poverty level (U.S. Bureau of the Census, 1980). Those persons who are able to gather the resources necessary to get out of their homeless situation find it difficult because of

numerous problems. At times they find that their financial resources may force them to live in substandard housing. While other persons encounter discrimination from persons who do not want to rent housing to elderly persons or because they belong to a minority group.

HOUSING AS A HUMAN NEED ISSUE

Housing is a human need issue for the elderly. When decisionmakers are designing housing programs they must take into account the totality of factors that determine the housing needs of individuals. In the case of the Hispanic elderly there are some variable which must be considered in planning for this population.

- A. The Hispanic elderly population is the fastest growing of the elderly populations.
- B. For the most part it is a low-income population with limited financial resources.
- C. The majority are concentrated in urban areas.
- D. The vast majority speak spanish and a great number of them are literate in spanish only.
- E. Research points out that most live close to a family member and many prefer to live in areas with various generations present.

As the number of older persons grows the need for adequate housing for the elderly population is increasing also. This calls for an increase in the number of programs providing housing for the elderly. In the island of Puerto Rico for example, the current allotment of housing units under the Section 202 program for the entire island is 104 units, not even scratching the surface of the actual

housing needs of that population (Low Income Housing Coalition, 1985). Presently the 202 programs of housing for the elderly have been held at their current budget and they project some cuts in the near future.

Creative financing and family policy in housing for the elderly is needed that will allow them choices about where they want to live and who they want to live with. Housing programs that require them to live in age segregated housing for the most part is undesirable for those persons who value contact with their families. Most older persons who prefer to live close to or with their family do so out of a need for their own personal well being and safety. To require them to live outside of their family circle would make them vulnerable and fearful for their safety.

It is unfortunate that the needs of the elderly are often left out of the planning process that provides housing for the total elderly population. During a recent housing conference held in August in Fort Worth ~~described~~ Dr. S. Kelly Mosely from the University of Houston described plans for a Continuing Care Retiring Community. Primarily it was designed for senior citizens in the 20,000 to 200,000 annual income range, totally disregarding the needs of the low-income elderly population. This points out the fact that the needs of the Hispanic elderly are often excluded from programs by design. In order to avoid this from happening it is recommended that any housing plans or programs that are federally supported must by design include allowances for the inclusion of low-income Hispanic older persons. Presently there is a need for assisted living housing for the at-risk and frail elderly. This type of housing provides meals, social activity and physical activity. There is also a need for more support environments housing which takes on the form of congregate living arrangements.

The two main housing issues for the elderly are affordability and access. First of all the housing must be within the elderly's economic means and not place them under a financial strain. Second, the housing must be accessible to them, conveniently located in desirable living areas that provide them with the instrumentalities necessary for the tasks of daily living. Accessibility also refers to access to adequate modes of transportation such as public transportation.

ECONOMICS OF HOUSING

For the most part housing problems for Hispanics are economic problems. The largest barrier to decent housing is its rising costs. The demand for standard housing for Hispanics is great but the supply is low. In the Puerto Rico for example there are presently 76,085 applications pending for low-income federally assisted units and only 1,788 applications for rental rehabilitation certificates (U.S. Bureau of the Census, Puerto Rican Federal Affairs Administration). This situation is multiplied many times over in other large metropolitan areas where there is often exploitation of persons. The cases of exploitation in housing against Hispanics is not new, however it is a problem that is on the rise again with the recent arrival of Central American immigrants. It is very common to find too numerous situations of substandard, overcrowded and even abandoned housing where persons are living at exorbitant prices. During the course of a recent research project we are conducting in Hartford, Connecticut it was discovered that many older persons are living in abandoned and condemned buildings because all alternative forms of housing had been exhausted and were unavailable.

The housing problem is compounded by the fact that there is a decreasing amount of standard rental housing for low-income person. Efforts in housing rehabilitation have been focusing on small properties and not on large scale properties. The costs of new constructions have been escalating as well as the cost of rehabilitation which are often passed on to the consumer. Tax exempt bonding options have not been very successful in attracting the needed large scale participation of the private sector in housing construction .

DEVELOPMENTS IN THE HOUSING ARENA

In some areas of the country there are new approaches and ideas being developed by persons in efforts to address their housing needs. At times their housing strategies call for changes in the way in which we have traditionally viewed housing.

It is necessary to begin by reminding ourselves that the right to safe, decent and affordable housing has been a major right of persons in this country since the passage of the U.S. Housing Act in the 1930's. It has as a basic tenet the notion that people should not have to pay more than 25 to 30% of their income for standard housing.

The problems of the inner city have seen the rise of the formation of tenants organizations. They sometimes take possession of an abandoned building and rehabilitate it with the intent of legally taking possession of it by forming a coop or tenants organization to administer the building. Since the owner has abandoned the building it becomes the property of those who occupy it and rehabilitate it.

Currently the Supreme Court will have to review a case which deals with the right of localities to pass rent control legislation in their communities. While rent control exists in some states it is seen as a vital mechanism for displacement throughout the country. National rent control laws may have to be considered for addressing problems of a low supply of low-income housing for a great demand exists for it.

The concept of the right of tenancy is important for the elderly since it is based on the notion that persons who have occupied a rental unit for long periods of time have established themselves as having the right to occupy the unit in case of a conversion or rehabilitation. This means that in the case of a conversion or rehabilitation the tenant would have primacy (first rights) to purchase or continue as a tenant.

RECOMMENDATIONS

It is necessary to begin by reaffirming the principle that everyone has a right to decent, standard and affordable housing. This principle seems to have slipped by the wayside of housing planners. Second, it is necessary to mandate all agencies that are involved with the planning and building of housing be required to plan for the low-income populations with special attention given to the needs of the elderly.

Availability, accessibility and affordability are three main housing barriers for Hispanics. As a result there is a need to increase the production of housing for low-income and fixed income persons by requiring specific set asides for the elderly in housing developments that are induced by federal tax and subsidy programs.

The federal government needs to take the lead in the provision of housing for the low-income populations, especially in areas where the local government is unwilling or unable to take positive action.

Creative housing programs must be developed in order to identify projects that can rehabilitate vacant inner city buildings. These buildings would have to be rehabilitated with cost effective measures in order to contain rental or purchase costs.

The Department of Housing and Urban Development should increase the number of Section 202/8 independent living facilities and locate them in minority neighborhoods. HUD must increase the funding of Hispanic sponsors to stimulate the building of adequate housing for older constituencies. This can be achieved by encouraging communities to use tax exempt bonds as an incentive for nonprofit organizations to become sponsors of housing programs.

The rapid increase in the Hispanic elderly population points to a need to stimulate the development of innovative housing alternatives. Hispanic older persons must be allowed to maintain the right of choice of housing in their own communities. Local Departments of Housing and Community Development should sponsor the building of accessory apartments. Accessory apartments are small complete units which are installed in surplus space in over-sized single-family homes. There reductions would be made in exchange for needed services such as child care and both parties would benefit from social reinforcement. Programs of shared housing for persons of all ages should be expanded. For the purposes of this programs existing housing in good repair can be used without renovation.

The cost of housing should not exceed more than 30% of a persons or familys' income. Efforts should be made at cost containment in the construction and rehabilitation of housing units.

Finally, all entities involved in housing should review all policies that when combined with housing policies have the potential to force the elderly into seperate housing. By this is meant programs such as food stamps which in some state allocate more funds to older persons living alone than to older persons living with a spouse or their family.

Evidence in cities such as San Antonio indicates that such policies prevents elderly persons from getting either food stamps or affording decent housing.

In summarizing it is necessary to point out that the current state of the art in housing for Hispanics is tearing at the foundations of some of our social institutions such as our familys and neighborhoods. The problems of housing can render large numbers of persons marginal and even homeless. It is necessary for your committee to begin to take a concerted ecological approach for providing decent affordable housing for Hispanics. The federal government needs to take an active role in safeguarding the housing rights of low-income persons in view of the the fast growing demands of our population. The desired goal being to increase the amount of housing available, to make the housing affordable to low-income persons and to make the housing accesible to all members of our community.

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Chairman GONZALEZ. Thank you, Mr. Paz, again, for a very exciting, and valuable report.

We next go to Dr. Juarez.

**STATEMENT OF RUMALDO Z. JUAREZ, ASSOCIATE PROFESSOR
AND CHAIR, DEPARTMENT OF SOCIOLOGY AND SOCIAL WORK,
PAN AMERICAN UNIVERSITY, EDINBURG, TX**

Dr. JUAREZ. Good afternoon, Mr. Chairman and members of the committee. My name is Rumaldo Juarez. I'm an associate professor of sociology and chair of the Department of Sociology and Social Work at Pan American University, in Edinburg, TX. Thank you for having invited me to testify before your subcommittee on the housing conditions of Mexican-American and anglo-elderly in the Lower Rio Grande Valley of Texas. I congratulate you for having targeted such a critical issue in our area, as well as in other parts of the country. This is especially true for the Mexican-American elderly.

Unlike the housing conditions of Anglo elderly that have been extensively researched, those of Mexican-American elderly remain virtually unknown. Though much is speculated and in most instances correctly, about the housing of the Mexican-American elderly by community leaders and persons who work in aging organizations that provide services to the elderly, little empirical research has been done on this population.

The need for this type of research becomes increasingly important as the pattern of Mexican-American elderly population approaches that of the Anglo elderly. The population of Mexican-Americans aged 65 and over is projected to triple from 368,000 in 1980 to 1,154,000 in the year 2000. Of these 368,000 Mexican-American elderly in the United States, 26,486 or about 7 percent live in the Rio Grande Valley counties of Cameron, Hidalgo, Starr, and Willacy. This increase in population of Mexican-American elderly, in light of what is perceived about their housing conditions in our community, makes it imperative that we learn more about their housing profiles and develop effective housing programs to meet not only the current housing needs but prepare for those of the future.

Since the summer of 1983, several sociology and social work faculty at Pan American have been part of an ongoing effort to assess the needs of elderly in the valley. Notable among these are Ms. Hermila Anzaldúa, social worker; and Drs. Manuel Lopez, Delores Reed-Sanders, and myself as sociologists. This effort has been made possible by linking the various resources in our communities and conducting extremely low cost needs assessment surveys of the elderly.

My testimony today is based on data obtained from such a joint venture between Pan American University and the Area Agency on Aging of the Lower Rio Grande Valley Development Council.

The survey was initiated by Mr. Leobardo Garcia, acting Director of the area agency on aging in McAllen, TX.

The area served by this agency covers Cameron, Hidalgo and Willacy Counties, all three located along the United States-Mexico border. The data were collected in July-August 1983 through per-

sonal interviews conducted mostly by volunteer senior citizens from such organizations as the Retired Senior Volunteer Program.

A stratified random sampling process was used to obtain a sample of 801 noninstitutionalized elderly. The population consisted of 45,777 households which had one or more persons aged 60 or over in the three counties. By this method, 52 census tracts were canvassed in Cameron County, 53 in Hidalgo and 3 in Willacy. Willacy County was oversampled to ensure a larger number of sampled elderly in the largely rural county.

Of the 801 elderly in our sample, 765 were used for the analysis which I'm going to report on today; a complete copy of the study is attached as an appendix to this statement.

It would be remiss of me if I did not start out, before getting into the housing conditions, on the social and economic characteristics of our sample, especially the comparison between the Mexican-American and the Anglo elderly.

The average age of our subjects was 71 years. Over three-fourths of the Mexican-American males and nearly two-thirds of the Anglo males were married. In contrast, almost three-fourths of the Mexican-American females and more than half of the Anglo females were either widowed, divorced, separated or had never been married.

Needless to say, that the financial implications for elderly persons who were not married, particularly for the Mexican-American female, were disastrous. Over 90 percent of the Mexican-American elderly compared to slightly over one-fourth of the Anglo elderly had less than a high school education. Over two-thirds of the Mexican-American males and four-fifths of the females had annual incomes of less than \$5,000.

In comparison, about one-tenth of the Anglo males and almost one-third of the females had annual incomes of less than \$5,000. As indicated above, the females, and Mexican-American females in particular, are the most economically deprived. Not surprisingly, about one-fourth of the Mexican-American males had held white collar occupations but nearly three-fourths of the females were housewives who are a great disadvantage when it comes to Social Security benefits.

In contrast, over half of the Anglo males and about half of the females were in the white collar occupations. Nevertheless, slightly over one-third of the Anglo females were also housewives.

Also worthy of mentioning before reporting on the housing conditions is the self-assessed health status of these elderly. Nearly two-thirds of the Mexican-American males and close to three-fourths of the females reported their health status as being either fair or poor. On the other hand, the majority of Anglo males and females reported their health status as being either excellent, very good or good. The bottom line to all of these comparisons is that the Mexican-American female elderly is the worst socially and economically, as well as healthwise, disadvantageous group of elderly in our sample of elderly from the valley.

Now, on the housing characteristics, over 90 percent of the Mexican-American elderly living in either rural or urban areas lived in a house as compared to an apartment or a mobile home. Among the Anglo elderly, close to 80 percent in either rural or urban areas

lived in a house. Most of the remaining 20 percent lived in mobile homes.

Over 80 percent of the rural and 70 percent of the urban Mexican-American elderly owned their homes. In comparison, over 90 percent of the rural and 87 percent of the urban Anglo elderly owned their homes.

The largest proportion of renters, about 25 percent, was among Mexican-American elderly who lived in urban areas. In comparison to homeowners, this puts them at a significant disadvantage in several ways. First of all, at a time when their incomes are already diminished, they are still having to pay for housing, unlike their homeowner countertypes, who may already have their homes paid.

Second, in most cases, renters have property taxes included in their rent, unlike homeowners who are able to take advantage of tax exemptions due to their age.

Third, home repairs may be more difficult to obtain in rental properties than in homeowned property.

Fourth, elderly who are renting are more vulnerable to being displaced by property improvements or real estate ventures of the property owners. That, I believe, has been well-documented already by the previous presenter.

Mexican-American elderly are also more likely than Anglo elderly to not only be living with someone else but also be living with more occupants in the same home. About one-third of the Mexican-American elderly in either rural or urban areas live alone compared to two-fifths of the rural and half of the urban Anglo elderly.

None of the Anglo elderly lived in homes with more than five occupants. In contrast, some of the Mexican-American elderly lived in homes with as many as 10 occupants. Presumably, an argument could be made that this is advantageous for the Mexican-American elderly, since they have someone to keep them company and serve as a social support system.

On the other hand, the elderly is more than likely living in very crowded conditions, has little or no privacy and may be considered an inhouse baby sitter at a time he/she may be suffering from chronic illnesses.

More than one-fourth of the rural and about one-fifth of the urban Mexican-American elderly do not have telephones. Among the Anglo elderly, one-tenth of the rural and one-twentieth of the urban do not have telephones.

Clearly, the Mexican-American elderly from rural areas are at a distinct disadvantage, in that they are not able to benefit from the use of a telephone during a crisis. They do not have an easy means of communication with friends and relatives and certainly do not have the means of contacting the numerous information and referral services that are beginning to be available to the elderly.

The need for housing repairs appears to be much greater for Mexican-American elderly than Anglo. Among the Mexican-American elderly, nearly 2 of every 3 living in rural areas and 2 of every 5 in urban areas indicated a need for house repairs.

In comparison, one in five Anglo elderly from either rural or urban areas indicated a need.

In addition to there being a larger proportion of Mexican-Americans than Anglo elderly indicating the need for repairs, the extent

of repairs is also much greater for Mexican-Americans than Anglos. Using a home repair severity index, we were able to assess the extent of repairs needed. The index is a cumulative measure of the number of repairs needed at home, such as broken windows, replacement of screens, floor repairs, et cetera. Not surprisingly, the rural elderly had the highest index scores for repairs than either Mexican-American urban elderly or Anglo rural and urban elderly.

About 20 percent of the rural Mexican-American elderly who indicated a need for house repairs had a need for five or more repairs.

Chairman GONZALEZ. That was a second set of bells on an AMA vote. I am going to recess for about 7 minutes to go and record my vote, and I will be right back. I will maybe get some of the colleagues to come back.

[Recess.]

Chairman GONZALEZ. The subcommittee will resume.

The Chair wants to apologize, but it was one of those things that will happen here unpredictably. We had an amendment, substitute to the amendment, amendment to the substitute and then final passage. So the House decided to have a roll call vote on each one of them. So I apologize, but it is just one of those things that happens.

And Dr. Juarez, sorry that we interrupted your presentation. You may proceed now.

Dr. JUAREZ. Thank you, Mr. Chairman.

I was at the point where I was discussing the results of our severity index, and I am going to start off with the last sentence in that paragraph.

Although it is not reflected in the statistics presented, some of these elderly are living in shacks with little or no protection from the weather elements or other public health hazards and rodents.

Indoor bathroom facilities is another problematic area for the rural Mexican-American elderly. Sixteen percent of the rural and 3 percent of the urban Mexican-American elderly did not have indoor bathroom facilities. In comparison, 100 percent of the Anglo elderly had indoor bathroom facilities. Lack of bathroom facilities can present serious obstacles to elderly who are frail, limited in functional ability, in need of long-term health care services and highly predisposed to sanitary hazards. During times of inclement weather, such as a heavy rain or during the winter, lack of an indoor bathroom can be especially inconvenient and a serious health hazard.

In a similar light, the rural Mexican-American elderly is also the largest group without any indoor plumbing. Thirteen percent of the rural Mexican-American elderly were without any indoor plumbing. While still of great concern, the proportions of urban Mexican-American and urban Anglo elderly without indoor plumbing were less than 5 percent.

The sight common here, Mr. Chairman, right at this point in time, are cases where elderly are taking water from the irrigation canals for drinking purposes. I might add that this drinking water is contaminated by pesticides and other debris, since they are adjacent to agricultural fields.

Particularly disturbing in our study was the finding that elderly who need housing repairs the most indicated that they were not aware of housing assistance programs that could solve some of their problems. Ironically, the group of elderly that was the least aware of these programs were the rural Mexican-American elderly. This was the group found to be the worst off in housing status.

In conclusion, in comparison to Anglo elderly in the lower Rio Grande Valley and probably to elderly in other parts of the country, the Mexican-American elderly is the worst off, in terms of social and economic characteristics.

This is especially the case for Mexican-American elderly females, who find themselves either widowed, divorced, separated, or never married, who are in the lowest income categories, who are poorly educated and more than likely not eligible for some Social Security benefits, since they have been housewives for most of their lives.

The housing conditions of Mexican-American elderly and particularly those of the rural Mexican-American are poor and in immediate need of attention.

Mexican-American elderly are more likely than Anglo elderly to be renters, not have telephones in their homes, live in more crowded conditions, live in homes that have the greatest need of repairs, have no indoor bathroom or plumbing facilities and also be the least aware about housing assistance programs.

Recommendations:

First, develop housing assistance programs that effectively reach the rural Mexican-American elderly.

Second, in cooperation with vocational programs in high schools or in vocational and technical schools, develop housing construction programs that can incorporate student educational training and the construction of housing for elderly.

Third, continue and expand house repair programs specifically aimed at the elderly.

Fourth, find the necessary means for installing indoor bathrooms and plumbing for elderly who do not have them, especially those in rural areas.

Fifth, encourage and facilitate the research on Hispanic housing.

And lastly, reexamine our national priorities from one that cares better for animals in zoos, plants in arboretums, art work in museums, fancy office buildings and repairing satellites in space, to one that cares for the sheltering of human beings in their later stages of life.

Thank you, Mr. Chairman.

[The prepared statement and appendix referred to follow:]

RURAL AND URBAN HOUSING CONDITIONS OF MEXICAN AMERICAN AND ANGLO ELDERLY
LIVING IN THE LOWER RIO GRANDE VALLEY OF TEXAS

by

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Testimony before the U. S. House of Representatives Subcommittee on Housing
and Community Development, September 18, 1985, Washington, D. C.

TESTIMONY BEFORE THE U.S. HOUSE OF REPRESENTATIVES SUBCOMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT, September 16, 1985, Washington, D. C.

RURAL AND URBAN HOUSING CONDITIONS OF MEXICAN AMERICAN AND ANGLO ELDERLY LIVING IN THE LOWER RIO GRANDE VALLEY OF TEXAS

by

Ramaldo Z. Juarez. Ph.D.

Good afternoon Mr. Chairman and members of the Committee. Thank you for having invited me to testify before your Subcommittee on the housing conditions of Mexican American and Anglo elderly in the Lower Rio Grande Valley of Texas. I congratulate you for having targeted such a critical issue in our area as well as in other parts of the country. This is especially true for the Mexican American elderly.

Unlike the housing conditions of Anglo elderly that have been extensively researched, those of Mexican American elderly remain virtually unknown. Though much is speculated (and in most instances correctly) about the housing of Mexican American elderly by community leaders and persons who work in aging organizations that provide services to the elderly, little empirical research has been done on this population. The need for this type of research becomes increasingly important as the pattern of Mexican American elderly population approaches that of the Anglo elderly. The population of Mexican Americans age 65 and over is projected to triple from 368,000 in 1980 to 1,154,000 in the year 2,000 (Development Associates, Inc., 1983:49). Of these 368,000 Mexican American elderly in the U.S., 26,486 (7.2 percent) live in the Rio Grande Valley counties of Cameron, Hidalgo, Starr and Willacy. This increase in population of Mexican American elderly, in light of what is perceived about their housing conditions in our communities, makes it imperative that we learn more about their housing profiles and develop effective housing programs to meet not only the current housing needs but prepare for those of the future.

Since Summer 1983 several sociology and social work faculty at Pan American University have been part of an on-going effort to assess the needs of elderly in the Valley. Notable among these are Ms. Hermila Anzaldua, social worker and Drs. Manuel Lopez, Delores Reed-Sanders, and myself as sociologists. This effort has been made possible by linking the various resources in our communities and conducting extremely low-cost needs assessment surveys of the elderly.

My testimony today is based on data obtained from such a joint venture between Pan American University and the Area Agency on Aging of the Lower Rio Grande Valley Development Council. The survey was initiated by Mr. Leobardo L. Garcia, Acting Director of the Area Agency on Aging in McAllen, Texas.

SAMPLE

The area served by this agency covers Cameron, Hidalgo, and Willacy counties located along the U.S.-Mexico border. The data were collected in July-August 1983 through personal interviews conducted mostly by volunteer senior citizens from such organizations as the Retired Senior Volunteer Program. A stratified random sampling process was used to obtain the sample of 801 noninstitutionalized elderly. The population consisted of 45,777 households which had one or more persons age 60 or over in the three counties. By this method, 52 census tracts were canvassed in Cameron county, 53 in Hidalgo and 3 in Willacy. Willacy county was oversampled to ensure a larger number of sampled elderly in the largely rural county.

Of the 801 elderly in our sample, 630 (79 percent) were of Mexican origin and 135 (17 %) were classified Anglo. This testimony is based on an analysis of these 765 elderly. A complete copy of the study is attached in the Appendix.

SOCIAL AND ECONOMIC CHARACTERISTICS OF SAMPLE

The average age of our subjects was 71 years. Over three-fourths of the Mexican American males and nearly two-thirds of the Anglo males were married. In contrast, almost three-fourths of the Mexican American females and more than half (57 percent) of the Anglo females were either widowed, divorced, separated, or had never been married. Needless to say that the financial implications for elderly persons who are not married, particularly for the Mexican American female, are disastrous. Over 90 percent of the Mexican American elderly compared to slightly over one-fourth of the Anglo elderly have less than a high school education. Over two-thirds of the Mexican American males and four-fifths of the females have annual incomes of less than \$5,000. In comparison, about one-tenth of the Anglo males and almost one-third of the females have annual incomes of less than \$5,000. As indicated above, the females, and Mexican American females in particular, are the most economically deprived. Not surprisingly, about one-fourth of the Mexican American males had held white collar occupations but nearly three-fourths of the females were housewives who are at a great disadvantage when it comes to Social Security benefits. In contrast, over half of the Anglo males and about half of the females were in white collar occupations. Nevertheless, slightly over one-third of the Anglo females were also housewives. Also worthy of mentioning before reporting on the housing conditions is the self-assessed health status of these elderly. Nearly two-thirds of the Mexican American males and close to three-fourths of the females reported their health status as being either "fair" or "poor." On the other hand, the majority of Anglo males (56.6 percent) and females (61 percent) reported their health status as being either "excellent," "very good," or "good." The bottom line to all of these socioeconomic comparisons is that the Mexican American female elderly is the worst socially and economically disadvantaged group of elderly in our sample of elderly from the Valley.

HOUSING CHARACTERISTICS

Over 90 percent of the Mexican American elderly living in either rural or urban areas lived in a house as compared to an apartment or mobile home. Among the Anglo elderly, close to 80 percent in either rural or urban areas lived in a house. Most of the remaining 20 percent lived in mobile homes.

Over 80 percent of the rural and 70 percent of the urban Mexican American elderly owned their homes. In comparison, over 90 percent of the rural and 87 percent of the urban Anglo elderly owned their own homes. The largest proportion of renters (23.7 percent) was among Mexican American elderly who lived in urban areas. In comparison to homeowners, this puts them at a significant disadvantage in several ways: (1) at a time when their incomes are already diminished, they are still having to pay for housing unlike their home-owner counter types who may already have their homes paid; (2) in most cases, renters have property taxes included in their rents unlike homeowners who are able to take advantage of tax exemptions due to their age; (3) home repairs may be more difficult to obtain in rental properties than in home-owned properties; (4) elderly who are renting are more vulnerable to being displaced by property improvements or real estate ventures of the property owners.

Mexican American elderly are also more likely than Anglo elderly to not only be living with someone else but also be living with more occupants in the same home. About one-third of the Mexican American elderly in either rural or urban areas live alone compared to two-fifths of the rural and half of the urban Anglo elderly. None of the Anglo elderly lived in homes with more than five occupants. In contrast, some of the Mexican American elderly lived in homes with as many as 10 occupants. Presumably an argument could be made that this is advantageous to the Mexican American elderly since they have someone to keep them company and serve as a social support system. On the other hand, the elder is more than likely living in very crowded conditions, has little or no privacy, and may be considered an in-house babysitter at a time when she may be suffering from chronic illnesses.

More than one-fourth of the rural and about one-fifth of the urban Mexican American elderly do not have telephones. Among the Anglo elderly, one-tenth of the rural and one-twentieth do not have telephones. Clearly, the Mexican American elderly from rural areas are at a distinct disadvantage in that they are not able to benefit from the use of a telephone during a crisis, they do not have an easy means of communicating with friends or relatives, and certainly do not have the means of contacting the numerous Information and Referral Services that are beginning to be available to the elderly.

The need for housing repairs appears to be much greater for Mexican American elderly than Anglo. Among the Mexican American elderly, nearly two of every three living in rural areas and two of every five in urban areas indicated a need for house repairs. In comparison, one in five Anglo elderly from either rural or urban areas indicated a need.

In addition to there being a larger proportion of Mexican American than Anglo elderly indicating the need for repairs, the extent of repairs is also much greater for Mexican Americans than Anglo. Using a Home Repair Severity Index, we were able to assess the extent of repairs needed. The Index is a crude cumulative measure of the number of repairs needed at home such as broken windows, replacement of screens, floor repairs, etc. Not surprisingly, the rural elderly had the highest Index scores for repairs than either Mexican American urban elderly or Anglo rural and urban elderly. About 20 percent of the rural Mexican American elderly who indicated a need for house repairs had a need for five or more repairs. Although it is not reflected in the statistics presented, some of these elderly are living in "shacks" with

little or no protection from the weather elements or other public health hazards and rodents.

Indoor bathroom facilities is another problematic area for the rural Mexican American elder. Sixteen (16) percent of the rural and 3 percent of the urban Mexican American elderly did not have indoor bathroom facilities. In comparison, 100 percent of the Anglo elderly had indoor bathroom facilities. Lack of bathroom facilities can present serious obstacles to elderly who are frail, limited in functional ability, in need of long-term health care services, and highly predisposed to sanitation hazards. During times of inclement weather, such as a heavy rain or during the winter, lack of an indoor bathroom can be especially inconvenient and a serious health hazard.

In a similar light, rural Mexican American elderly is also the largest group without any indoor plumbing. Thirteen (13) percent of the rural Mexican American elderly were without any indoor plumbing. While still of great concern, the proportions of urban Mexican American and rural and urban Anglo elderly without indoor plumbing were less than 5 percent.

Particularly disturbing in our study was the finding that elderly who need housing repairs the most, indicated that they were not aware of housing assistance programs that could help solve some of their problems. Ironically, the group of elderly that was the least aware of these programs were the rural Mexican American elderly. This was the group found to be the worst of in housing status.

CONCLUSIONS

In comparison to Anglo elderly in the Lower Rio Grande Valley, and probably to elderly in other parts of the country, the Mexican American elderly is the worst of in terms of social and economic characteristics. This is especially the case for Mexican American elderly females who find themselves either widowed, divorced, separated, or never married; who are in the lowest income categories, poorly educated, and more than likely not eligible for some Social Security benefits since they have been housewives for most of their lives.

The housing conditions of Mexican American elderly, and particularly those of the rural Mexican American, are poor and in immediate need of attention. Mexican American elderly are more likely than Anglo elderly to be renters, not have telephones in their homes, live in more crowded conditions, live in homes that have the greatest need of repairs, have no indoor bathroom or plumbing facilities, and also be the least aware about housing assistance programs.

RECOMMENDATIONS

1. Develop housing assistance programs that effectively reach the rural Mexican American elderly.
2. In cooperation with vocational programs in high schools or in vocational and technical schools, develop housing construction programs that can incorporate student educational training and the construction of houses for elderly.

3. Continue and expand house repair programs specifically aimed at the elderly.
4. Find the necessary means for installing indoor bathrooms and plumbing for elderly who do not have them, especially those in rural areas.
5. Encourage and facilitate the research on Hispanic housing.
6. Reexamine our national priorities from one that cares better for animals in zoos, plants in arboretums, artwork in museums, fancy office buildings, and repairing satellites in space, to one that cares for the sheltering of human beings in their later stages of life.

THANK YOU

APPENDIX

A SOUTH TEXAS RURAL-URBAN COMPARISON OF
MEXICAN AMERICAN AND ANGLO ELDERLY
HOUSING CONDITIONS AND NEEDS

BY

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A South Texas Rural-Urban Comparison of
Mexican American and Anglo Elderly
Housing Conditions and Needs

INTRODUCTION

Unlike the housing conditions of Anglo elderly that have been extensively researched, those of Mexican American elderly remain virtually unknown. Although much is speculated (and in most instances correctly) about the housing of Mexican American elderly by community leaders and persons who work in aging organizations that provide services to the aged, little empirical research has been done on this population. The need for this type of research becomes increasingly important as the pattern of Mexican American elderly population approaches that of the Anglo elderly. The population of Mexican American age 65 or over is projected to triple from 368,000 in 1980 to 1,154,000 in the year 2,000 (Development Associates Inc., 1983:49). Of these 368,000 Mexican American elderly in the U. S., 26,486 (7.2 percent) live in the Rio Grande Valley counties of Cameron, Hidalgo, Starr and Willacy. This increase in population of Mexican American elderly, in light of what is perceived about their housing conditions in our communities, makes it imperative that we learn more about their housing profiles and prepare for the programmatic needs of the future. The purpose of this paper is to enlighten what little is known about the housing conditions and needs of Mexican American and Anglo elderly in the Rio Grande Valley of Texas.

The need for this type of information is justified on two counts. One is that federal housing policies have been undergoing significant changes since the 1960's when interest rates began to climb (Congressional Budget Office, 1983). These changes have intensified in the early decade of the 80's when the Omnibus Budget Reconciliation Act of 1981 was enacted by the Reagan

Administration (Gerontologist Editorial, 1985:30). In addition to these legislative changes, several housing alternatives are being considered for meeting the housing needs of the elderly. For example, some of the ones proposed in recommendations at the 1981 White House Conference on Aging (1981: 86-89) are: shared housing, granny flats or accessory apartments, manufactured and mobile homes, condominiums, and cooperative housing. While these alternative living arrangements are being used throughout the United States, particularly in the Northeast and Southeast, their implementation in the Rio Grande Valley is not too pervasive. Several questions need to be raised about their possible implementation among Mexican-American elderly. First is whether or not these types of living arrangements are acceptable. Secondly, what are some social, housing, economic, and functional assessment characteristics of elderly who favor these living arrangements, as well as of those who do not. And more important, would Mexican American elderly be willing to participate in these types of alternative living arrangements. Frances Carp's (1969) study of elderly participants of a housing project in San Antonio, Texas is the only known empirical attempt that has addressed these types of questions about Mexican American elderly. Similar questions need to be asked of the probable impacts or ramifications of the recent federal housing policy changes on the Mexican American elderly. A first step toward assessing these implications, however, is the need for more empirical research on the Mexican American elder, which brings us to the second justification for this paper, i.e., the paucity of research on the housing status and needs of Mexican American elderly.

A search for literature about this area clearly illustrates this paucity of research. A Library Computer search of four reputable reference data bases yielded only four peripheral sources that contained some housing information about Hispanic elderly. None of these four references were actual studies about housing needs of Mexican American elderly. The reference data bases

reviewed were: (1) Population Bibliography-1966 to present, 63,900 records; (2) Social SciSearch, 1972 to present, 1,305,000 records; (3) Sociological Abstracts-1963 to present, 135,800 records; and (4) Family Resources-1970 to present, 50,000 records. A related problem to this lack of research, is the difficulty in locating studies of this nature. Results from some of these studies are published in mimeograph form only and not disseminated in easily accessible sources.

Some indication of the housing problems of Mexican American elderly in the Valley can be obtained from a study conducted by the Lower Rio Grande Valley Development Council (1978) for the U.S. Department of Housing and Urban Development. While the study does not specifically address elderly housing problems in detail, an indirect assessment can be obtained from the findings. In the three counties where the housing study was conducted (Hidalgo, Willacy and Cameron), an average of nearly one-third of the households were headed by a person age 60 or over. Willacy County, the more rural of the three, had nearly 40 percent of its households headed by a person age 60 or over. For the most part, the head of house level of education is well below high school, the majority of the households have low/moderate family incomes, more than one-third of the households have five or more persons and are classified as overcrowded, and about as many are also classified as substandard. Granted that these data, at best, only indirectly give a clue of the elderly housing needs in the region. But, it is nevertheless the only known "study" of this nature for the Rio Grande Valley.

One other study, and probably the only one of its kind, is Hoover's (1981) analysis of Mexican American elderly age 65 and over in the 1975 Annual Housing Survey. Hoover reported that a much smaller proportion of Spanish elderly (53%) than White elderly (72%) own their homes. Both Spanish and White elderly

homeowners were more likely to live with a spouse than by themselves. Spanish elderly were more likely to be without a telephone (22%) than White elderly (13%). Nevertheless, a significant proportion of both Spanish and White were without a telephone. More of the Spanish elderly than the White lived in one-unit structures as opposed to large residential structure (50 or more units). Slightly less of the older Spanish elderly (38%) than older White elderly (44%) lived in units with three or more bedrooms. This measure, however, does not take into consideration the number of persons living in the household, which could be larger for the Spanish elderly than White. As a whole, Hoover reported a lower quality of housing, as indicated by greater structural deficiencies, for the Spanish elderly than for White elderly.

As will be demonstrated later, the housing conditions of Mexican American elderly in the Valley are in some instances similar to the 1975 AHS results. However, the rural-urban categories provide some interesting differences between Mexican American and Anglo elderly.

METHODS

Data for this study were obtained from an elderly needs assessment survey conducted by the Area Agency on Aging of the Lower Rio Grande Valley Development Council. The area served by this agency covers Hidalgo, Cameron, and Willacy counties. All three counties are on the border with Mexico. The data were collected in July-August 1983 through personal interviews. A stratified random sampling process was used to obtain the sample of 801 non-institutionalized elderly. The population consisted of 45,777 households which had one or more persons age 60 or over in the three counties. This age category was selected because the persons served by the Area Agency on Aging starts at age 60. By this method, 52 census tracts were canvassed in Cameron

county, 53 in Hidalgo and 3 in Willacy. Willacy county was oversampled to ensure a larger number of sampled elderly in the largely rural county. Of the 801 elderly 646 (80.6 percent) were Hispanic and the remaining 155 (19.4 percent) were Non-Hispanic. Not surprisingly, 98 percent of the Hispanic sample was of Mexican origin. Of the Non-Hispanic sample, 88 percent were Anglo and about 10 percent were Black (n=15). For the purposes of this study, persons who were not of Mexican origin or Anglo were omitted from the sample. This resulted in 251 Mexican American males, 379 Mexican American females, 53 Anglo males and 82 Anglo females. One major limitation of this sample is the significantly smaller proportion of Anglo elderly that participated in the study. According to the sample design, it was expected that the sample would be about evenly distributed between the two ethnic categories. This skewedness in the sample toward Mexican American is partly explained by several factors: (1) larger refusal rate among Anglo elderly, (2) the reluctance of some bilingual interviewers to interview in Anglo neighborhoods, (3) the lesser resistance of elderly in Mexican-American neighborhoods to being interviewed, (4) fewer Anglo interviewer volunteers (5) since the survey was conducted in July-August, quite possibly some of the Anglo elderly migrated north for the summer, and (6) some sampling error.

The data were collected by face-to-face interview using a questionnaire that took approximately 20-35 minutes to administer. The questionnaire was translated to Spanish and pre-tested. Twenty-seven interviewers were used for conducting the survey. Most of them (85 percent) were elderly volunteers recruited from the various organizations that serve the elderly. For the most part, all of these interviewers were bilingual Spanish/English-speaking persons. Interviewers who spoke only English were assigned to census tracts known to be inhabited by English-speaking persons only. Put another way, the "Anglo" part of town. The interviewers received an eight-hour training session

on interviewing techniques and canvassing instructions. Prior to the start of the survey a public media campaign was launched in the areas where the survey was to take place.

DISCUSSION

As a whole, there are no statistically significant differences in the age of Mexican American and Anglo elderly, regardless of sex, Table 1. The mean age for all four categories (Mexican American males and females and Anglo males and females) is about 71 years. The only apparent difference is that there are a larger proportion of Anglo males in the Old-Old (76+) category than in the remaining three categories. This finding does not strongly support the notion that the longevity of Anglos exceeds that of Mexican Americans, at least not in the noninstitutionalized population of elderly. If anything, the two populations are more similar in age than they are different. It is quite possible though that the older Anglos are in nursing homes, thus "deflating" the mean age. In the three county area of this study, it is estimated that the nursing home population is largely Anglo.

Where the two ethnic categories do differ significantly from each other is in regards to marital status, Table 2. Four-fifths of the Mexican American males are married compared to slightly less than two-thirds of the Anglo males. Less than one-third (29 percent) of the Mexican American females are married and more than half (56.8 percent) of them are widowed. This result seems to support the notion that Mexican-American females are not likely to remarry if their spouses die in contrast to their male counterparts that seem to remarry after their spouse dies.

Statistically significant differences at the .01 level were found between ethnic categories in the education of the elderly, Table 3. Over 90 percent of

the Mexican American elderly (both males and females) had less than a high school education compared to about one-fourth of the Anglos. The two categories had a difference of about seven years of education between them.

Mexican American and Anglo elderly in South Texas also differed significantly at the .01 level in reference to their income, Table 4, and occupational, Table 5, levels. As anticipated, more than two-thirds of the Mexican American males and four-fifths of the females were in the low income category (\$4,999 or less) compared to about one-tenth of the Anglo males and three-tenths of the females. Only about one-fourth of the Mexican American males had a white collar occupation compared to slightly more than half of the Anglos. A substantial difference existed between the females. Three-fourths of the Mexican American females were listed as housewives while nearly half of the Anglo females were in the white collar category.

The self-assessed health status between Mexican American and Anglo elderly in South Texas differs significantly at the .01 level, Table 6. Overall, the reported health status of Anglo elderly is better than that of Mexican Americans. More than two-thirds of both male and female Mexican American elderly reported their health status as either "fair" or "poor" compared to about two-fifths of either male or female Anglos. Nevertheless, the proportions in both ethnic categories are sufficiently large to warrant concern. Of particular concern should be the female Mexican American, since nearly three-fourths reported a health status that was either "fair or poor."

Both Mexican American and Anglo elderly were more likely to live in a house as opposed to an apartment or a mobile home, Table 7. Nevertheless, Mexican American elderly from either rural or urban areas lived in houses in significantly larger proportions than Anglo elderly. In contrast, a substantially larger proportion of Anglo elderly lived in mobile homes. The

latter may be partly explained by the number of winter visitors that come to the Valley from other parts of the country during the winter. Eventually, a number of these decide to make the Valley a permanent residence and settle in mobile home accommodations.

Anglo elderly from both rural and urban areas owned their homes in much larger proportions than Mexican American elderly, Table 8. This finding is similar to Hoover's findings in the 1975 Annual Housing Survey. But, the Mexican American elderly in the Valley region appear to own their homes in greater proportions (74%) than Hispanic elderly nationwide (53%). In the renter's category, however, nearly twice as many urban Mexican American elderly in the Valley are likely to be renting than urban Anglos. The proportions of rural elderly from both groups who are renting are similar (about 7%). Overall, it appears that proportionately fewer Mexican American elderly, especially in urban areas, than Anglo are able to take advantage of the benefits of being a homeowner. Among these are such things as tax benefits on mortgage interest and federal, state, and local programs that provide assistance for home maintenance and repairs, and credit rating status. Also, as renters, elderly probably have lesser control over needed maintenance and repairs since they are at the mercy of the owners. Since a majority of these elderly are on fixed incomes (Juarez, Lopez, and Garcia, 1984), a major portion of their incomes goes to paying the rent.

One-third of the Mexican American elderly from both rural and urban areas were living by themselves, Table 9. However, a much larger proportion of the Anglo elderly were living by themselves (half of those living in urban areas and two-fifths of those in rural areas). Another major difference between the two categories was the larger proportion of Anglo elderly than Mexican American elderly who were living with their spouse (one-third among the Anglos compared to one-fifth of the Mexican American). Nevertheless, Mexican

American elderly were living with someone else other than their spouse in almost twice the proportions of Anglo. Clearly apparent from these findings is that Mexican American elderly are much more likely to be living with other people in the household than are Anglo elderly. Furthermore, Mexican American elderly are also much more likely to be living in homes with more occupants than the Anglo elderly. This could be both an advantage and a disadvantage. Some advantages could be that the elderly are not isolated, may have someone at home to assist with their care, and some of these other persons could be contributing to their income and welfare. Disadvantages could be that these elderly do not have the privacy they might wish at an older age and they may in fact be contributing to the income and welfare of the other persons in the household at the expense of their own lifestyles and comfort.

Considering the results above on the number of occupants, it was not surprising to find a larger mean number of occupants per room in the house for Mexican American elderly than for Anglo elderly, Tables 10 and 11.

Regardless of income category, Mexican American elderly had a higher mean number of occupants per room than Anglo elderly. One similarity between both ethnic categories of elderly is that those who lived in urban areas and had incomes of \$10,000 or over had the lowest means. Anglo elderly, nevertheless, in this category had the lowest mean of all the other ethnic/income categories.

In contrast to the above findings on income and mean number of occupants per room where there appears to be no clear relationship, the findings for the variable of education indicate an inverse relationship. In other words, the higher the level of education, the lower the mean number of occupants per room. For the most part, this appears to be the case for both Mexican American and Anglo elderly, regardless of whether they live in rural or urban areas. There are several possible explanations for this inconsistency. One is the relatively

low correlations between income and education for both groups of elderly (.21 for Mexican American and .45 for Anglo) (Juarez and Lopez, 1984), thus a relationship on education does not necessarily imply a relationship on income. This also implies that people in the Valley may have "relatively good" incomes despite low levels of education. Another explanation might be that the variable of education is a more sensitive factor influencing the departure of educated members of the family from the family of procreation. Put another way, it facilitates the mobility away from the home. Third, the results are a function of sampling error, which is always a consideration. Needless to add that more analysis is needed to help explain the inconsistency in relationships of the variables of income and education.

In modern society, the telephone has proven to be a great facilitator of communication to the point that almost 90 percent of the households in the U. S. have a telephone. Among white elderly nationwide, about 13 percent do not have a telephone compared to about 22 percent of the Spanish elderly (Hoover, 1981:77). In our Valley study, 27.5 percent of the Mexican American elderly in rural areas and 10.3 percent of the Anglo did not have a telephone. Of those in the urban areas, 18.9 percent of the Mexican American elderly and 5.7 percent of the Anglo did not have a telephone, Table 12. Considering that those living in rural areas are perhaps the ones that are in greatest need of a telephone since they are in more remote areas away from services, their not having one should be a call for action.

One major difference between Mexican American and Anglo elderly in the Valley study is in their perceptions of needed house repairs, Table 13. Nearly two-thirds of the Mexican American elderly living in rural areas and two-fifths of those in urban areas felt that their house needed repairs. In comparison, one-fifth of the elderly in either rural or urban areas felt that their homes needed repairs. Regardless of ethnicity, it seems that a significant

proportion of the elderly perceive the need for repairs on their homes.

Using a Home Repair Severity Index, it is also possible to see that not only are the residents in rural areas the ones to express a need for repairs but also the one's whose homes appear need the greatest amount of repairs. The Index is an additive index constructed by adding a weight of "1" for each item in the house perceived as needing repair. Examples of these items were: roof, windows, doors, floor, walls, etc. Based on this index, it is apparent that Mexican American elderly in rural areas are the ones in most need but Anglo elderly from rural areas are also right behind them.

This finding is reinforced even more when one examines the elderly's plumbing facilities. While all of the Anglo elderly from either rural or urban areas have indoor bathroom facilities, 16.1 percent of the Mexican American elderly in rural areas and 3.1 percent of the urban do not have indoor bathroom facilities, Table 15. The availability of indoor plumbing as a whole is also not a favorable outcome for the rural Mexican American elderly. Thirteen percent of the rural Mexican American elderly do not have indoor plumbing, Table 16.

Eventhough the major housing problem areas are concentrated in the rural areas for both Mexican American and Anglo elderly, the elderly living in these areas are also the ones who are not aware of housing assistance programs for the elderly, Table 17. This is especially so among the group of rural Mexican Americans who appear to have the worst housing conditions. Overall, administrators of housing assistance programs should be alarmed at the significantly large proportion of elderly from both Mexican American and Anglo elderly that are not aware of the programs and may be in need of assistance.

It is apparent from this cursory descriptive analysis that the housing conditions and needs of both Mexican American and Anglo elderly are in need of

further attention and recognition. The housing problems of Mexican American rural elderly seem to be of such a magnitude that a major programmatic effort will be needed to address them. In light of the gradual disappearance of housing programs that have assisted elderly with their housing needs in the past, new approaches will have to be developed for meeting these needs. Compounding these housing problems is the nation's trend toward caring for elderly in their own homes as opposed to institutionalization. If this transition is to be accomplished successfully, the housing conditions of elderly must be addressed first before attempting to "care" for the elderly at home. For the Mexican American elderly, this is of particular concern considering the self-assessed health status reported earlier.

TABLE 1. AGE CATEGORIZATION of RESPONDENTS by ETHNICITY and SEX

AGE CATEGORIES	MEXICAN AMERICAN				ANGLO			
	MALES		FEMALES		MALES		FEMALES	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Young Old [60-69]	75	29.9	111	29.3	13	24.5	24	29.2
Middle Old [66-75]	110	43.8	170	44.9	20	37.7	35	42.7
Old Old [76+]	86	26.3	98	25.9	20	37.7	23	28.0
N=	251	100%	379	100%	53	100%	62	100%
MEAN	70.6		70.8		72.6		71.1	
MEDIAN	69.4		70.1		72.0		70.6	
Chi sq. = 3.52 [6df]				Cramer's U = .048				

TABLE 2. RESPONDENT'S MARITAL STATUS by ETHNICITY and SEX

MARITAL STATUS	MEXICAN AMERICAN				ANGLO			
	MALES		FEMALES		MALES		FEMALES	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Married	192	77.7	108	29.0	34	84.2	35	43.2
Widowed	40	16.2	212	56.8	16	30.2	38	46.8
Divorced	1	0.4	18	4.8	2	3.8	3	3.7
Separated	3	1.2	9	2.4	0	0	0	0
Never Married	11	4.5	26	7.0	1	1.9	5	6.2
N=	247	100%	373	100%	53	100%	81	100%
No data	4		5		0		1	

Chi sq. = 154.35 [12df]**(.01) Cramer's V = .261

TABLE 3. RESPONDENT'S EDUCATION by ETHNICITY and SEX

EDUCATIONAL CATEGORIES	MEXICAN AMERICAN				ANGLO			
	MALES		FEMALES		MALES		FEMALES	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Less than High School	180	93.3	262	92.6	14	28.6	21	26.3
High School or Technical School	10	5.2	16	5.7	23	46.9	45	56.3
College Graduate	3	1.6	5	1.8	12	24.5	14	17.5
N=	193	100%	283	100%	49	100%	80	100%
No data	58		96		4		2	
MEDIAN [years]	4.3		4.2		11.4		11.4	

Chi sq. = 267.48 [6df]**(.01) Cramer's V = .470

TABLE 4. RESPONDENT'S PRESENT INCOME by ETHNICITY and SEX

INCOME CATEGORIES	MEXICAN AMERICAN				ANGLO			
	MALES		FEMALES		MALES		FEMALES	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Low	166	68.9	299	80.8	5	9.8	22	30.6
Middle	63	26.1	63	17.0	23	45.1	24	33.3
High	12	5.0	8	2.2	23	45.1	28	36.1
N=	241	100%	370	100%	51	100%	72	100%
No data	10		8		2		10	
MEDIAN	\$4,140		\$3,394		\$9,456		\$7,916	

Chi sq. = 219.56 [6df]**(.01) Cramer's V = .387

TABLE 5. RESPONDENT'S OCCUPATIONAL STATUS by ETHNICITY and SEX

OCCUPATIONAL CATEGORIES	MEXICAN AMERICAN				ANGLO			
	MALES		FEMALES		MALES		FEMALES	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
White Collar	62	25.7	21	5.6	27	55.1	40	49.4
Blue Collar	179	74.3	84	22.3	22	44.9	12	14.8
Housewife	0	0	271	72.1	0	0	29	35.8
N=	241	100%	376	100%	49	100%	61	100%
No data	10		3		4		1	

Chi sq. = 433.84 [8df]** (.01) Cramer's V = .339

TABLE 6. SELF ASSESSED HEALTH STATUS of MEXICAN AMERICAN and ANGLO ELDERLY by SEX

HEALTH STATUS	MEXICAN AMERICAN				ANGLO			
	MALES		FEMALES		MALES		FEMALES	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Excellent	4	1.6	3	0.8	4	7.5	6	7.3
Very Good	20	8.1	27	7.2	10	18.9	13	15.9
Good	64	25.9	71	18.9	16	30.2	31	37.8
Fair	108	43.7	181	48.3	17	32.1	26	31.7
Poor	51	20.6	93	24.8	6	11.3	8	7.3
N=	247	100%	375	100%	53	100%	82	100%
No data	4		4		0		0	

Chi sq. = 61.44 [12df]** (.01) Cramer's V = .184

TABLE 5. RESPONDENT'S OCCUPATIONAL STATUS by ETHNICITY and SEX

OCCUPATIONAL CATEGORIES	MEXICAN AMERICAN				ANGLO			
	MALES		FEMALES		MALES		FEMALES	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
White Collar	62	25.7	21	5.6	27	55.1	40	49.4
Blue Collar	179	74.3	84	22.3	22	44.9	12	14.8
Housewife	0	0	271	72.1	0	0	29	35.8
N=	241	100%	376	100%	49	100%	81	100%
No data	10		3		4		1	

Chi sq. = 433.84 (5df) ** (.01) Cramer's V = .538

TABLE 6. SELF ASSESSED HEALTH STATUS of MEXICAN AMERICAN and ANGLO ELDERLY by SEX

HEALTH STATUS	MEXICAN AMERICAN				ANGLO			
	MALES		FEMALES		MALES		FEMALES	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Excellent	4	1.6	3	0.8	4	7.5	6	7.3
Very Good	20	8.1	27	7.2	10	18.9	13	15.9
Good	64	25.9	71	18.9	16	30.2	31	37.8
Fair	108	43.7	181	48.3	17	32.1	26	31.7
Poor	51	20.6	93	24.6	6	11.3	6	7.3
N=	247	100%	375	100%	53	100%	82	100%
No data	4		4		0		0	

Chi sq. = 61.44 (12df) ** (.01) Cramer's V = .164

1. MA Females are worst off, followed by MA males, Anglo males, Anglo females
2. Overall MA worst off but both are of great concern.

TABLE 7. Type of Dwelling by Ethnicity and Residence*

TYPE OF DWELLING	MEXICAN AMERICANS		ANGLOS	
	RURAL	URBAN	RURAL	URBAN
House	96.5%	90.3%	78.6%	78.8%
Apartment	2.4	9.0	3.6	6.7
Mobile Home	1.2	.7**	17.9	14.4
N =	170	454	28	104

* p < .001

** p < .02

TABLE 8. Home Ownership Status by Ethnicity and Residence*

OWNERSHIP STATUS	MEXICAN AMERICANS		ANGLOS	
	RURAL	URBAN	RURAL	URBAN
Own	82.8%	70.1%	93.1%	87.5%
Live with someone	10.1	6.2	0	0
Rent	7.1	23.7**	6.9	12.5
N =	169	451	29	104

* p < .001

** p < .001

TABLE 9. Number of Occupants Living with Elder in Same House,
by Ethnicity and Residence

NUMBER OF OCCUPANTS	MEXICAN AMERICANS		ANGLOS	
	RURAL	URBAN	RURAL	URBAN
Lives Alone	34.5%	33.6%	41.4%	50.9%
Lives with spouse	19.3	21.8	41.4	32.1
Lives with 1 person [other than spouse]	25.1	19.0	13.6	11.3
2	10.5	13.5	3.4	2.8
3	3.5	5.9	0	1.9
4	2.3	2.6	0	.9
5	2.3	2.0	0	0
6	1.8	.9	0	0
7	0	.4	0	0
8	.6	.4	0	0
N =	171	459	29	106

TABLE 10. Mean Number of Occupants per Room in Home by Ethnicity, Residence and Income

INCOME	MEXICAN AMERICANS		ANGLOS	
	RURAL	URBAN	RURAL	URBAN
Low [less than \$5,000]	.544	.543	.391	.305
Middle [\$5,000-\$10,000]	.656	.509	.386	.349
High [over \$10,000]	.563	.320	.400	.268
N =	170	448	29	97

TABLE 11. Mean Number of Occupants per Room in Home by Ethnicity, Residence and Education

EDUCATION	MEXICAN AMERICANS		ANGLOS	
	RURAL	URBAN	RURAL	URBAN
Less than High School	.562	.542	.339	.351
High School or Technical School	.347	.384	.442	.332
College Graduate	.250	.279	.321	.196
N =	159	402	28	104

TABLE 12. Households with Telephones by Ethnicity and Residence*

TELEPHONE IN HOUSING UNIT	MEXICAN-AMERICANS		ANGLOS	
	RURAL	URBAN	RURAL	URBAN
YES	72.5%	81.1%	89.7%	94.3%
NO	27.5	18.9**	10.3	5.7
N =	171	456	29	106

* p < .001

** p < .01

TABLE 13. Elderly's Perceptions of Need for Housing Repairs by Ethnicity and Residence*

HOUSE NEEDS REPAIRS	MEXICAN-AMERICANS		ANGLOS	
	RURAL	URBAN	RURAL	URBAN
YES	64.3%	41.4%	20.7%	20.8%
NO	35.7	58.6**	79.3	79.2
N =	171	456	29	106

* p < .001

** p < .001

TABLE 14. Home Repair Severity Index by Ethnicity and Residence

SEVERITY INDEX	MEXICAN AMERICANS		ANGLOS	
	RURAL	URBAN	RURAL	URBAN
0	50.9%	60.6%	79.3%	82.1%
1	19.1	11.7	5.4	5.7
2	12.9	8.7	6.9	5.7
3	5.8	5.7	3.4	1.9
4	5.8	0	5.9	2.8
5	6.4	2.6	3.4	0
6	5.3	3.1	3.4	1.9
7	6.4	0	1.7	0
8	.6	0	.4	0
9	1.8	0	0	0
N =	171	459**	29	106

* p < .001

** p < .001

TABLE 15. Type of Bathroom Facilities by Ethnicity and Residence*

TYPE OF BATHROOM	MEXICAN-AMERICANS		ANGLOS	
	RURAL	URBAN	RURAL	URBAN
Indoor	93.9%	96.9%	100.0%	100.0%
Outdoor	16.1	3.1	0	0
N =	161	443**	27	104

* p < .001

** p < .001

TABLE 16. Availability of Indoor Plumbing by Ethnicity and Residence*

INDOOR PLUMBING	MEXICAN-AMERICANS		ANGLOS	
	RURAL	URBAN	RURAL	URBAN
Yes	87.0%	97.3%	96.6%	99.0%
No	13.0	2.7	3.4	1.0
N =	169	450**	29	104

* p < .001

** p < .001

TABLE 17. Awareness of Housing Assistance Program by Ethnicity and Residence*

AWARENESS	MEXICAN AMERICANS		ANGLOS	
	RURAL	URBAN	RURAL	URBAN
Aware	32.2%	43.8%	41.4%	22.6%
Some information	17.0	22.3	13.8	29.2
Not aware	50.9	33.8	44.0	48.1
N =	171	452**	29	106

* p < .001

** p < .001

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Chairman GONZALEZ. Thank you, Dr. Juarez.

Again, and I repeat, I have been here in kind of openmouthed admiration and wonderment at the tremendous work that you all have been doing in researching and in sectionalizing the particular needs.

I wish to announce that the other witnesses, particularly Mr. Roldan had a plane to catch in order to return to Chicago. He had, I guess, arranged to depart at about this time, in fact, from the airport.

I don't know how to tell you how important this all has been.

As I said earlier, since 1981, we haven't had any type of coordinated activity in the research and the compilation of even just statistics that would concentrate on the plight of the housing needs of the Hispanic in any part of the country, other than the individual studies that here today you have collectively presented for the record.

So that this is going to be a very valuable set of hearings. They will be printed. We will send you copies of the transcript of the proceedings. Some of the members may wish to submit, in writing, some questions directed to some of these specific panelists.

Also, the colleagues here, some had some commitments, their own committee assignments which they may have been obligated to, and for that reason, they weren't back here. I myself have nothing to say, other than that I am profoundly grateful that on rather short, quick notice, we were able to gather and garner the fruits of your labor.

As I said, I have been here in openmouthed admiration. I think you can see the vast continuing need for some national effort on an organized, sustained basis. And naturally, given the plight of a particular group, without the help of an entity such as the National Government, it would be very difficult to do so in an effective way. So that I remember very well and dramatically the 1981 effort of the National Hispanic Housing Coalition. I think the thing that inspires me is that then and now it is a relatively young group, generation that reflects great promise, I believe, for the collective body that we call the Hispanic in the United States.

There is no question that it is the group of the future, not only because of the developments south of the border, but here within our own borders, I think it is the fulfillment of a promise that such a great prophet and poet as Walt Whitman foresaw over 100 years ago. I've always thought it was a very prophetic vision. Apparently the city of Santa Fe in New Mexico was celebrating its tercentenary, its 300th anniversary, and they invited him to address the group. He was a very prestigious poet. But he was then involved in attempting to bind and heal the wounds of the Civil War, and so he wrote a beautiful letter in which he said, I want you to know that as I peer into the future and see the crass materialism that's penetrating our American society with the great danger to its liberties and civilizing cultural processes, I see the contribution of the Hispanic similar to a great river flowing for centuries underneath the surface, unperceived by human eye, and then because of a confluence of events suddenly erupting into full view and broad majestic flow. This is what the contribution of the Hispanic will be to America at a critical point in its development. I appeal to the 20th cen-

tury when the softening, civilizing influence of the Hispanic will temper the crass materialism that is obviously infecting and will overcome American life.

I have always felt that we are living in that period in which we are seeing the fulfillment of this prophecy.

I want to congratulate you for the great preparation that you have brought about to enable you to testify so effectively and contribute so much. I think this actually leads the way to an attack upon and a resolution of these very serious problems affecting this particular conglomeration in the field of shelter, housing, which as you know is one of the three prime elements in life.

We have had some setbacks, not only as this particular minority is concerned, but the whole gamut of efforts in civil rights. I think, and I have said that we are in the midst of a second reconstruction era in our history, so to speak.

So it is just a question of time and events. And I want to thank you very much for helping the subcommittee, because we are concerned. The subcommittee has, in the last 4 years, made extensive field trips into the rural areas, for the first time. And we have gone into the urban areas in almost every section of this country. Beginning here, not far away from the Capitol, just about 1½ hour's drive, you have some horrible conditions still continuing in the work camps involving some migratory, migrant workers in what I call the east coast flow. It involves many Mexican-Americans, and up until lately very, very many Haitians. I had not seen conditions that I saw here on the Eastern Shore 3 years ago, since 60 years ago in Texas. It is that bad.

Then we have gone into the work camps in Texas, in Deaf Smith County, Hereford. We've gone to California. We've gone to the Middle West.

Then we've gone into the teeming areas, in which, as far as the complexion of the Hispanic population is concerned, you have a different current, a different steam. You have the Puerto Rican, the Caribbean nations, Dominican, Cuban, and a lesser presence of what we take for granted along the Southwest, the Mexican-American. But yet they're a quite substantial number. As Mr. Roldan reflected in his testimony, just the Middle West is a relatively heavy area. And there, I think you have also in the last 5 years, a heavier presence of Puerto-Rican-descended citizens.

But along the Mexican border and particularly in the States of Texas and New Mexico, Colorado, California, Arizona, you have a substantial number, I'd say now in excess of 6 to 7 million.

So the total overall picture, as far as the Hispanic is concerned in the United States, is a vastly different one from what the census would reflect two to three decades ago. Even in New York, the presence of the Puerto Rican was not really heavy and substantial until after World War II.

So that brings with it, special needs, special requirements and understanding, based on a knowledgeable assessment of what the facts are. Traditionally, there has been antipathy—there's been fear. I think that has been reflected in the great issues surrounding the proposed amendments to the Immigration and Naturalization laws. Most of these laws have been enacted out of fear, and in our case, the fear of the illegal, undocumented across the Mexican

border has overshadowed the fact that still a substantial 40 percent or more of the so-called illegal or undocumented are coming through other points other than the Mexican border.

And so these studies are very, very important. They are important. They have been useful to some of us when we have been presenting material to the Judiciary Committee in the consideration of the amendments of the Immigration laws.

I really have no specific questions that I would have anticipated that you haven't addressed. I am just very, very and most profoundly grateful to you for answering our invitation and taking the time to be here and present this very valuable testimony.

On my left here is Mr. Bob or Robert Ruddy, who is the minority staff director, and on my right is young John Valencia from my area, and who has been working with the committee—subcommittee.

Earlier, to my immediate right was the staff director, majority staff director, Gerry McMurray, who is extremely knowledgeable and has served with—well, I am his third chairman of the Housing Subcommittee that he's served with as staff director.

So thank you very much, gentlemen. I hope we will have a continuing communication. You'll be hearing from us again. And we look forward to further productive effort.

Thank you very much.

Now we have the final panel and, of course, I offer my apologies to both. We have Mr. Moises Loza, deputy director, Housing Assistance Council, Washington, DC; and Mr. Frank Villalobos, president of the Barrio Planners Inc., Los Angeles. And I understand that Mr. Villalobos has some problems with his plane connections, because he's come clear across the continent and I'm sure that's where he wants to go back to.

So if there's no objection, Mr. Loza, we'll recognize Mr. Villalobos first.

And I apologize again for the delay in keeping you here until much after 5 o'clock.

STATEMENT OF FRANK VILLALOBOS, PRESIDENT, BARRIO PLANNERS INCORPORATED, LOS ANGELES, CA

Mr. VILLALOBOS. Thank you very much, Congressman. I happen to be a Californian today, but I'm a displaced Texan.

Chairman GONZALEZ. It may not be turned on.

[Pause.]

Mr. VILLALOBOS. As a matter of fact, I went to grammar school at Sacred Heart.

Chairman GONZALEZ. Oh, yes, certainly.

Mr. VILLALOBOS. And I'm a nephew to the late Pete Cortez of San Antonio, TX, famous landmark "Mi Tierra Cafe."

Chairman GONZALEZ. Oh, yes, Mario Cortez, his father.

Mr. VILLALOBOS. Yes.

Chairman GONZALEZ. Very longtime friends of ours.

Mr. VILLALOBOS. Thank you, Congressman. I came from that area.

I'm going to give my testimony in a brief description to delete the statistical information and just basically address the summary in order to save some time.

Mr. Chairman and honorable members of the committee, I want to thank you for the opportunity to testify today about the pressing need to preserve funding for the community development block grant program, which benefits the Hispanic community in the areas of housing assistance and rental rehabilitation. As you know, House and Senate Appropriation Committees have already reduced CDBG funding by 10 percent, with further reductions now being proposed. I fear that the impact of these proposed cuts on the Hispanic communities are not fully understood and appreciated.

All Americans seek safe, affordable, and sanitary housing for ourselves and our loved ones. Likewise, we seek adequate space for each person in the home in locations that permit reasonable access to jobs, schools, shopping, recreation and health care. Certainly, the housing needs of Hispanics are based on the same fundamental factors.

Fortunately, the vast majority of American Hispanics have been able to satisfy—I'm speaking in terms of a particular community in Los Angeles when I make this statement—to satisfy their housing needs through the free market, purchasing and renting homes according to their market value.

Yet, for many Hispanics, because of a variety of reasons and circumstances, adequate housing is beyond the means of their limited incomes. It is in this later group for whom the resources of the CDBG Program have been targeted and who will be most impacted by the reductions in the program's funding.

Representative of low- to moderate-income Hispanics that suffer from inadequate housing are most of the 85,000 residents of Boyle Heights neighborhood of east Los Angeles. Characteristic of the housing in Boyle Heights is the large, dilapidated single-family units which have been converted to multifamily use. Frequently, additions and converted garages are used to further augment the available housing.

Needless to say, the population density is much greater than was originally intended. And the problems arise from overloading and overuse of electrical implement connections; inadequate provisions for rubbish collection; and parking.

As well, area schools are overcrowded, as are recreation and other neighborhood facilities. It is important to understand that the residents of Boyle Heights do not live under these conditions by choice, but by economic necessity. The reality is that only under such conditions are many Hispanics able to afford housing at all.

Why does this acute shortage of affordable housing exist in Boyle Heights? Most of the problem is reflected in the fact that while the Bureau of Census reports that the Hispanic population of Los Angeles County increased from 17 to 27 percent of the total county population from 1970-80, the housing stock of Boyle Heights, the center of the Greater Los Angeles Hispanic community, has remained virtually unchanged.

In addition, Boyle Heights is an area where little or no English language skills are required to find housing or a job. Thus, many new Hispanics and Spanish and English immigrants, both docu-

mented and undocumented, are attracted to the area because of the ease of which they are assimilated. The rapid increase in the number of immigrant workers moving into the area in recent years has served to only further exacerbate the problem.

With the increased demand for housing in the area, why hasn't the housing stock expanded to meet this need? Probably, a major deterrent to the expansion and rehabilitation of the existing housing is the attitude by absentee landlords that the return of investment in the area is inadequate to justify further capital investment.

Banks and other lending institutions exhibit much of the same attitude. And while being very careful to avoid the term redlining, the results of their loan policies is explained very well by redlining. The area has been identified as being high risk and one to which few loans are made. The neighborhood serve to further the unfortunate situation by accepting the deposits from the low-income residents only to invest these in lower risk areas such as Westwood and Beverly Hills.

The situation is further exacerbated by the departure from Boyle Heights of Hispanics who have managed to secure better paying jobs. As incomes raise and the family is able to afford more adequate housing conditions, a movement from Boyle Heights east to Monterrey Park, Montabello, and West Covina is readily observable.

The attraction of owning your own home on a less crowded street with better schools and more modern and pleasant shopping and recreation facilities is strong. The departure of an emergent middle class that could serve as the foundation for an economic rebirth for Boyle Heights is tragic as the vicious circle is completed.

Boyle Heights is one of the areas where low-income persons can afford to live. And the conditions resulting from this concentration stifles the area's revitalization.

Over the years, a variety of programs have emerged to address scarcity of low-income housing. Unfortunately, inadequate attention has been focused on the generalized problem. And even less on the special needs of low-income Hispanics.

Indeed, it is important to understand why many of the previous housing programs failed to meet the needs of the Hispanics. Housing programs directed toward Hispanics must take into consideration not only the fact that the participants are low income but also that they are Hispanic. Accordingly, to succeed with Hispanic participants, a program must address specific cultural and social values.

Specifically, housing must consider the large family unit, the importance of caring for the elderly and the need to provide adequate privacy of children of different sexes. The special cultural significance of eating requires that the allowance for designated eating areas in the home be provided. Desire for privacy suggests that highrise structures are inappropriate.

Durable and strong construction materials such as stone and adobe are traditional and often represented in modern structures by the use of stucco. Designs that allow the incorporation of traditional art are also important.

In conclusion, no market solution exists for the severe shortage of adequate housing for Hispanics in Boyle Heights. Or, in the other Hispanic areas of Los Angeles County.

There is no question of the existence of this problem and there should be no question of the need to seek out and implement proper solutions. Among these solutions should be the special designation of funds for low income housing for Hispanic areas.

History has shown that many of the previous housing programs have bypassed Hispanic areas for the other disadvantaged areas in Los Angeles. This designation will ensure that funds reach the Hispanic areas and allow for more incorporation of grass roots efforts of the Hispanic communities. Apart from direct financed programs, tax incentives to developers and lenders to invest in affordable housing in Hispanic areas are a necessary ingredient. The once again history has shown the need to carefully specify the target area.

Finally, the construction of new housing will provide much needed jobs to communities where the projects are located. While the abuse of Davis Bacon requirements is widespread and well-known, even the lower paying construction jobs will generate incomes that can provide for further revitalization.

In looking at Boyle Heights as an example, ideas for present and future housing program managements are generated. An equal and unjust disbursement of section 8 and section 312 funds to other parts of Los Angeles area has left only an insignificant portion for Hispanic neighborhoods of the East Side. One can only hope that future leadership will recognize this and enact legislation that will assure parity in the housing programs funding for Los Angeles and other major cities.

I think what I wanted to add to this is that Juarez' map in Chicago could just as easily have been left here and I could have used that as testimony for Los Angeles just by changing the title to "Los Angeles."

I think that I'm very privileged to be here, Congressman. I thank you for the invitation. And I come knowing that I share a lot of the same sensations and same feelings that other people within this country have for the need of Hispanic housing. And thank you for the opportunity to be here.

[The prepared statement of Mr. Villalobos follows:]

TESTIMONY

Frank Villalobos

BARRIO PLANNERS INC. 5271 e. beverly blvd., los angeles, ca. 90022 (213) 726-7734

INTRODUCTION

Mr. Chairman and Honorable members of the Committee, I want to thank you for this opportunity to testify today about the pressing need to preserve funding for the Community Development Block Grant Program which benefits the hispanic community in the areas of housing assistance and rental rehabilitation.

As you know, House and Senate appropriations committees have already reduced CDBG funding by 10%, with further reductions now being proposed. I fear that the impact of these proposed cuts on the hispanic community are not fully understood and appreciated.

All americans seek safe, affordable and sanitary housing for ourselves and our loved ones. Likewise, we seek adequate space for each person in the home, and locations that permit reasonable access to jobs, schools, shopping, recreation and health care. Certainly, the housing needs of hispanics are based on these same fundamental factors. Fortunately, the vast majority of american hispanics have been able to satisfy

their housing needs through the free market, purchasing and renting homes according to their market value. Yet, for many hispanics, because of a variety of reasons and circumstances, adequate housing is beyond the means of their limited incomes. It is this latter group for whom the resources of the CDBG Program have been targeted and who will be most impacted by reductions in the programs funding.

Representative of the low to moderate income hispanics that suffer from inadequate housing are most of the 85,000 residents of the Boyle Heights neighborhood of east Los Angeles. Characteristic of the housing in Boyle Heights is large dilapidated single-family units which have been converted to multi-family use. Frequently additions and converted garages are used to further augment the available housing. Needless to say, the population density is much greater than was originally intended, and problems arise from overloading and over use of electrical and plumbing connections and inadequate provision for rubbish collection and parking. As well, area schools are overcrowded, as are recreation and other neighborhood facilities. It is important to understand that the residents of Boyle Heights do not live under these conditions by choice, but of economic necessity. The reality is that only under such conditions are many hispanics able to afford any housing at all.

FOURTH STATEMENT

Why does this acute shortage of affordable housing exist in Boyle Heights? Most of the problem is reflected in the fact that while the Bureau of the Census reports that the hispanic population of Los Angeles County increased from 174 to 274 as of the total county population from 1970 to 1980, the housing stock of Boyle Heights, the center of the Greater Los Angeles hispanic community, has remained virtually unchanged.

In addition, Boyle Heights is an area where little or no English language skills are required to find housing or a job. Thus, many new Spanish-and-English-speaking immigrants, both documented and undocumented are attracted to the area because of the ease of which they are assimilated. The rapid increase in the number of immigrant workers moving into the area in recent years has served to only further exacerbate the problem.

With the increased demand for housing in the area, why hasn't the housing stock expanded to meet this need? Probably a major deterrent to the expansion and rehabilitation of existing housing is the attitude by absentee landlords that the return to investments in the area is inadequate to

justify further capital investment. Banks and other lending institutions exhibit much the same attitude, and while being very careful to avoid the term "redlining", the results of their loan policies is explained very well by redlining. The area has been identified as being high risk and one to which few loans are made. The neighborhood banks serve to further the unfortunate situation of accepting the deposits from the low-income residents, only to invest these in lower risk areas such as Westwood and Beverly Hills.

The situation is further exacerbated by the departure from Boyle Heights of hispanics who have managed to secure better paying jobs. As incomes rise and the family is able to afford more adequate housing conditions, a movement from Boyle Heights, east to Monterey Park, Montebello and West Covina is readily observable. The attraction of owning your own home on a less crowded street, with better schools and more modern and pleasant shopping and recreation facilities is strong.

The departure of an emerging middle class that could serve as the foundation for an economic rebirth for Boyle Heights is tragic, as the vicious circle is completed. Boyle Heights is one of the areas where low-income persons can afford to live, and the conditions resulting from this concentration stifle the area's revitalization.

SOLUTIONS

Over the years, a variety of programs have emerged to address the scarcity of low-income housing. Unfortunately, inadequate attention has been focused on the generalized problem, and even less on the special needs of low-income hispanics. Indeed, it is important to understand why many of the previous housing programs failed to meet the needs of hispanics.

Housing programs directed toward hispanics must take into consideration not only the fact that participants are low-income, but also that they are hispanic. Accordingly, to succeed with hispanic participants, a program must address specific cultural and social values.

Specifically, housing must consider the large family unit, the importance of caring for the elderly and the need to provide adequate privacy for children of different sexes. The special cultural significance of eating requires the allowance for a designated eating area in the home. The desire for privacy suggests that high rise structures are inappropriate. Durable and strong construction materials such

as stone and adobe are traditional, and often represented in modern structures by the use of stucco. Designs that allow the incorporation of traditional art are also important.

In conclusion, no market solution exists for the severe shortage of adequate housing for hispanics in Boyle Heights, or in the other hispanic areas of Los Angeles County. There is no question of the existence of this problem, and there should be no question of the need to seek out and implement the proper solutions. Among these solutions should be the special designation of funds for low-income housing for hispanic areas. History has shown us that many of the previous housing programs have by-passed the hispanic areas for the other disadvantaged areas of Los Angeles. This designation will assure that the funds reach the hispanic areas, and allow for the incorporation of the grassroots efforts of the hispanic communities.

Apart from directly financed programs, tax incentives to developers and lenders to invest in affordable housing in hispanic areas are a necessary ingredient, though once again history has shown the need to carefully specify the target area.

Finally, the construction of new housing will provide much needed jobs to the communities where the projects are located. While the abuse of Davis-Bacon requirements is wide-spread and well-known, even the lower paying construction jobs will generate incomes that can provide for further revitalization.

In looking at Boyle Heights as an example, ideas for present and future housing program management are generated. The unequal and unjust disbursement of Section 8 and Section 312 funds to other parts of the Los Angeles area has left only an insignificant portion for the hispanic neighborhoods of the eastside. One can only hope that future leadership will recognize this and enact legislation that will assure parity in the housing programs funding for Los Angeles and other major cities.

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BACKGROUND INFORMATION

BARRIO PLANNERS INC. 5271 e. beverly blvd. los angeles, ca. 90022 (213) 726-7734

CORPORATE OVERVIEW OF BARRIO PLANNERS INCORPORATED

Barrio Planners, Inc. is a small, California Minority Business Enterprise corporation established in 1971 as a nonprofit community design center. In 1982, the organization changed its status to a for-profit corporation in order to meet the new demands associated with the decline in federal funding sources. The basic purpose of the organization is to provide professional, technical and educational services to public and private agencies and individuals seeking to improve their communities. Barrio Planners also specializes in providing services to Spanish speaking communities.

The motivation philosophy of the organization is a belief that people are the most important element of research, planning, and design. Barrio Planners employs a unique process incorporating social research and technical expertise to develop meaningful design and planning solutions. This approach encourages client/user involvement throughout the entire project from the analysis of needs, the formulation of goals, policies and recommendations, to setting of priorities and program implementation.

Professional experience, education and the access to resources enable Barrio Planners to enter into agreements either as prime consultants, sub-contractors, or partners in joint-ventures. More specifically, Barrio Planners is capable of initiating or participating in the following types of projects.

ARCHITECTURAL DESIGN - Public, educational, recreational, neighborhood facilities, and new construction and rehabilitation of commercial industrial and residential buildings.

LANDSCAPE ARCHITECTURAL DESIGN - Outdoor educational, neighborhood and recreational facilities, vest-pocket parks, commercial, residential landscape.

ECONOMIC DEVELOPMENT - Community planning, human resource planning, environment impact research and analysis, urban redevelopment studies, landuse planning.

URBAN DESIGN -Community visual surveys, streetscape design, civic center design, commercial center design, design review consultation.

CITIZEN PARTICIPATION - Community organization, citizen involvement studies, public opinion surveys, citizen advisory service.

COMMUNITY REVITALIZATION - Merchant Association organization, business development, feasibility analysis and loan packaging, construction management, historic preservation and attractions management.

ENGINEERING - Structural and Civil Engineering, seismic analysis and design, public improvements.

The goals of Barrio Planners Incorporated are:

- To establish mechanisms which communities can nurture into self-sustaining development tools;
- To develop a socially oriented and humanistic approach of planning and design through positive community involvement;
- To assist government agencies and other groups in understanding community problems, in establishing priorities for economic revitalization, and in enhancing the positive characteristics of neighborhood and public spaces.

BACKGROUND ON THE BOYLE HEIGHTS COMMUNITY, LOS ANGELES

Boyle Heights is a predominantly Hispanic community in the Los Angeles area. It is east of Downtown Los Angeles and one of the City's oldest neighborhoods. The Boyle Heights neighborhood was originally developed as a middle class community of the century and on into the 1930's. During the 1930's and 1940's Hispanic families began to infill vacancies left behind by the other ethnic groups who moved to the western parts of the City in large numbers.

A major attraction of Boyle Heights is the affordable housing and its convenient location to familiar neighborhoods in the nearby downtown to the west and to Maravilla (the oldest Hispanic neighborhood in Los Angeles County) to the east. After the war, returning Veterans found the American Dream of home ownership in Boyle Heights and for many it was the first opportunity to own property.

The area is approximately 6 square miles (3842 acres) of which 45% of its land use is for residential use. The current population is 81,279 residents (1980 census) and approximately 90% Hispanic. There are approximately 22,134 housing units of which 9,029 are single family residential units of the total units 21,598 units are occupied and of these 16,086 are rental units (75%).

The medium income is \$13,255.00 and of the total working force of people employed approximately 67% are employed by skill and semi skill labor.

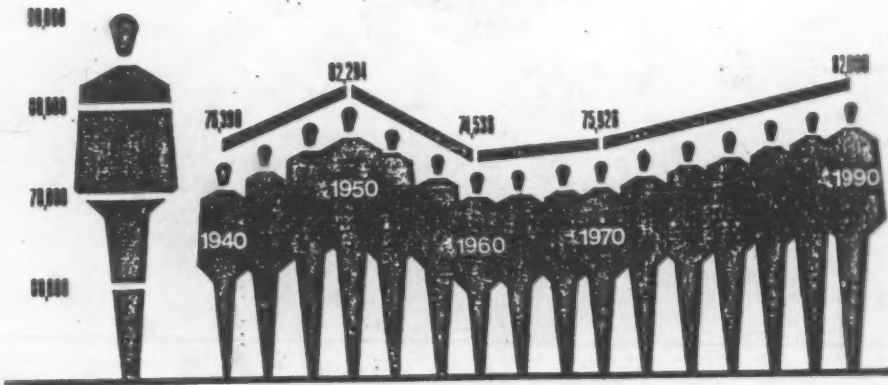
The residents of Boyle Heights occupy all of the housing stock with only 2% vacancy. The 82,000 people reside in "Hand-me-Down" housing which because of the relatively good construction in its design has remained in sound condition. In many instances, 75 year old housing requires substantial rehabilitation and maintenance to retain its value.

The population has reached a peak occupancy yield. After the war and up until the 1950's the population of Boyle Heights reached 82,294 residents. The construction of the freeway system for Los Angeles during 1950 to 1960 brought a sudden reduction in population. Nearly 19,000 people were displaced during this period by the construction of what is currently referenced to as the East Los Angeles Freeway interchange. By 1980 the population rose to 82,000 people once more. By private investment of new apartment houses during the 1970's.

POPULATION

YEAR	TOTAL POPULATION	POPULATION DIFFERENCE	%CHANGE
1940	76,390		
1950	82,294	+ 5,904	+7
1960	74,536	- 7,758	-9
1970	75,926	+1,390	+2
1980	82,000	+6,074	+8

TOTAL POPULATION COMPARISON



TIME SPAN	FACTORS OF POPULATION CHANGE	
	INCREASE	DECREASE
1940-1950	WORLD WAR II ALISO VILLAGE HOUSING PROJECT ESTRADA COURTS HOUSING PROJECT PICO GARDENS HOUSING PROJECT WYVENWOOD APARTMENT COMPLEX	JAPANESE EVACUATION WORLD WAR II SAN BERNARDINO FREEWAY SANTA ANA FREEWAY
1950-1960	ALISO APARTMENTS HOUSING PROJECT ESTRADA COURTS EXTENSION	EAST LOS ANGELES FREEWAY INTERCHANGE
1960-1970		GOLDEN STATE FREEWAY SANTA MONICA FREEWAY POMONA FREEWAY
1970 +		SAN BERNARDINO FREEWAY WIDENING

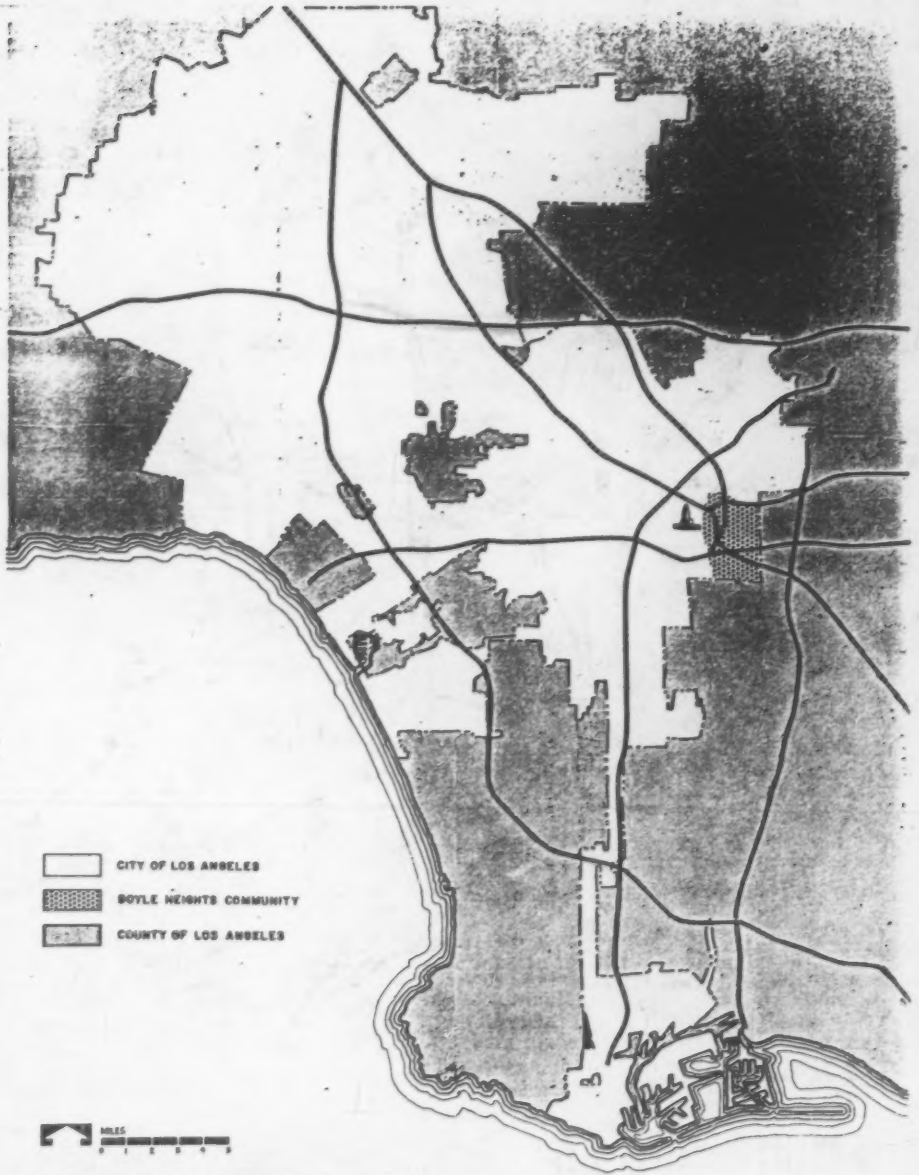
The population has remained constant over the last five years. Statistics and demographics have remained similar over the last twenty years. This significant and notable consistency is in part attributed to the "Port of Entry" relationship which Boyle Heights has had to its residents for the last 25 years. Immigrants from Mexico and Central America have found affordable housing in the Barrio as people became educated and economically better off than others. They move to cities in the suburban communities to the East such as Montebello, Pico Rivera, Whittier and others. As new arrivals come to Boyle Heights the cycle starts once again.

Boyle Heights plays a very important part in the heritage of Hispanic people of Los Angeles. As a point of origin for many new Hispanic families and for the future arrivals of many others, Boyle Heights has played a part in Hispanic history.

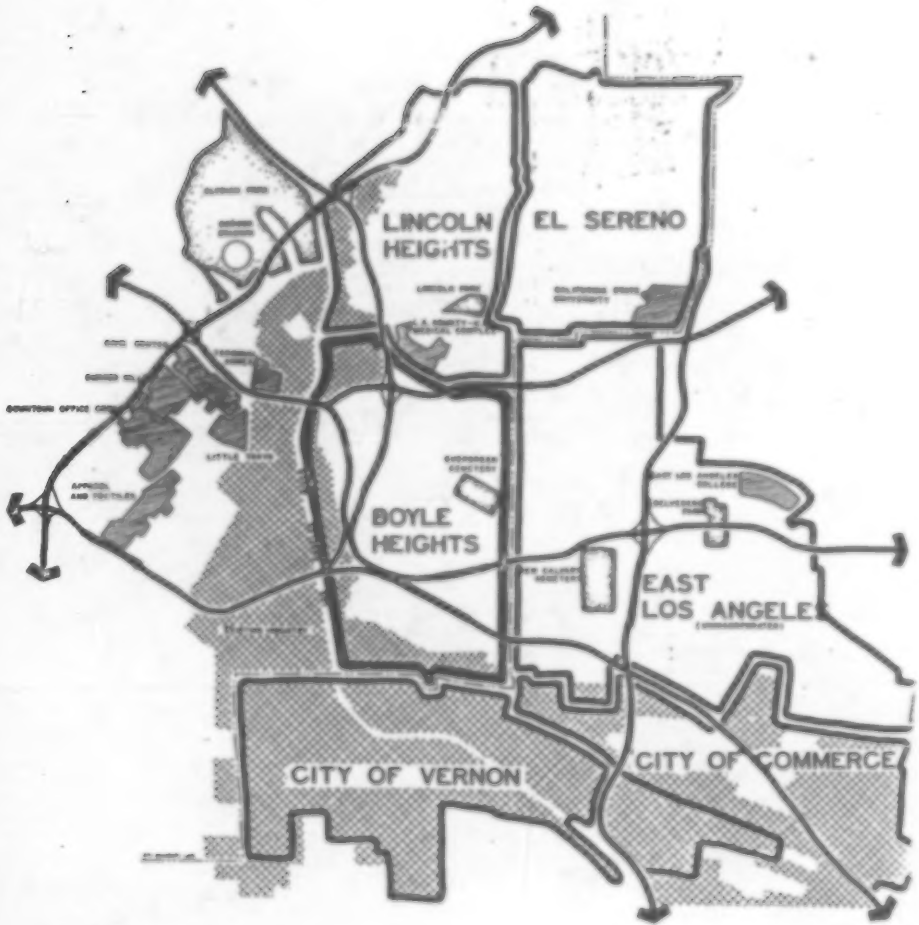
1920 U. S. CENSUS OF POPULATION - SAMPLE DATA

HOUSING/POPULATION FACTORS FOR STYLE HEIGHTS

TOTAL PERSONS	HOUSING UNITS	OCCUPIED UNITS	HOUSING VACANCY	MAINT. UNIT	OCCUPIED UNITS	WTDU VACANCY	SIMPLE UNIT	OCCUPIED UNITS	SPN VACANCY
81279	22134	21598	2.4	13103	12821	2.2	9029	8777	2.8
EMPLOYMENT PER ANNUAL RATE		PROF. PERSONAL	HOBT/ADMT	TECHNICAL	SALES	CLERICAL	NON-SERVICES	LABOR	OTHER
34.4		3.1	3.3	1.1	4.9	14.0	35.8	12.1	8.7
OCCUPIED UNITS	OCCUPIED UNITS	TOTAL PERSONS	RENTAL UNIT PER UNIT	RENTAL UNIT PER UNIT	RENTAL UNIT PER UNIT	RENTAL UNIT PER UNIT	RENTAL UNIT PER UNIT	RENTAL UNIT PER UNIT	RENTAL UNIT PER UNIT
21598	16084	38754	3.45	215	13471	13471	13471	13471	13471
PERSONS PER ACRE	PERSONS PER ACRE	PERSONS PER ACRE	PERSONS PER ACRE	PERSONS PER ACRE	PERSONS PER ACRE	PERSONS PER ACRE	PERSONS PER ACRE	PERSONS PER ACRE	PERSONS PER ACRE
9134	703	984	10 TO 14	15 TO 19	20 TO 24	25 TO 29	30 TO 34	35 TO 39	40 TO 44
TRAVEL TIME (MIN)	LESS THAN	5 TO 9	10 TO 14	15 TO 19	20 TO 24	25 TO 29	30 TO 34	35 TO 39	40 TO 44
24	263	979	3948	5244	5411	5411	5411	5411	5411
OCCUPIED UNITS	MEAN INCOME	MEAN INCOME	MEAN INCOME	MEAN INCOME	MEAN INCOME	MEAN INCOME	MEAN INCOME	MEAN INCOME	MEAN INCOME
21598	13235	13235	13235	13235	13235	13235	13235	13235	13235
HOUSING UNITS	PERSONS PER ACRE	PERSONS PER ACRE	PERSONS PER ACRE	PERSONS PER ACRE	PERSONS PER ACRE	PERSONS PER ACRE	PERSONS PER ACRE	PERSONS PER ACRE	PERSONS PER ACRE
22134	13235	21.1	5.7	17.3	21.6	21.6	21.6	21.6	21.6
ENGLISH ONLY	(SPANISH ONLY)	(SPANISH ONLY)	(SPANISH ONLY)	(SPANISH ONLY)	(SPANISH ONLY)	(SPANISH ONLY)	(SPANISH ONLY)	(SPANISH ONLY)	(SPANISH ONLY)
8239	38	1240	213	1941	3871	3871	3871	3871	3871
STATUS KNOWN	UNDER 35	35-59	60-64	OVER 64	UNDER 35	35-59	60-64	OVER 64	UNDER 35
80137	48348	2292	2015	5179	20504	20504	20504	20504	20504
TOTAL	W/CHILD	HOUSEHOLDS	W/CHILD	PERSONS/	PERSONS/	PERSONS/	PERSONS/	PERSONS/	PERSONS/
21444	11038	10584	3.76	3.76	3.76	3.76	3.76	3.76	3.76
OCCUPIED UNITS	DRIVE ALONE	CARPOOLS	PUBLIC TRANSIT	OTHER	WALKS OR WHEELS AT HOME	WALKS OR WHEELS AT HOME	WALKS OR WHEELS AT HOME	WALKS OR WHEELS AT HOME	WALKS OR WHEELS AT HOME
21598	12435	5447	4435	438	1748	1748	1748	1748	1748
UNITS COMPUTED	INCOME UNDER 10K	INCOME UNDER 10K	INCOME UNDER 10K	INCOME UNDER 10K	INCOME UNDER 10K	INCOME UNDER 10K	INCOME UNDER 10K	INCOME UNDER 10K	INCOME UNDER 10K
14433	10.1	38.2	17.1	2.3	13.4	13.4	13.4	13.4	13.4
HOUSEHOLDER OR SPOUSE	MARRIED COUPLE	SINGLE PARENT	OTHER RELATIVE	NON-FAMILY	GROUP QUARTERS	GROUP QUARTERS	GROUP QUARTERS	GROUP QUARTERS	GROUP QUARTERS
91	19789	4432	3432	479	2	2	2	2	2



REGIONAL LOCATION MAP



COMMUNITY LOCATION MAP



Chairman GONZALEZ. Oh, no, thank you very much. I don't have the heart to prolong your stay here. I did have a couple of questions.

What kind of representation does east Los Angeles have on the city council?

Mr. VILLALOBOS. Currently, we have a councilman that has made by selection to resign but has not resigned. We have Art Snyder, who represents the 14th district of that area. The position was previously held by Congressman Roybal, who was the last.

Chairman GONZALEZ. I know. He was on the first town city council.

What is the proportion, for instance, of community development block grant funds that the city of Los Angeles City Council has seen fit to earmark, for instance, for this particular area?

And does the city of Los Angeles have any diversion of the CDBG funds for housing? Do you know?

Mr. VILLALOBOS. Yes. Currently, there are two agencies that are in control of the CDBG funding. One is the CRA, who operates a low to moderate rehab program in two target areas, one in Boyle Heights and one in Lincoln Heights to the north. The approximate size of these areas are about 6,000 units, of which, over the last year, they have rehabbed 509. In the Lincoln Heights-Boyle Heights area there is also the community development program operated by another CD agency. And here the home program has rehabbed approximately 400 units over the last 3 years.

Because of the nature of the communities' physical design, which, by the way, originally was another culture back in the 1900's, the housing stock is sound, and it lends itself to revitalization. So, the opportunity to use community block grant funds for this area is substantial. It is my opinion that the area has received its fair share in this particular type of funding.

In the area of sections 8 and 312, however, out of the numbers of projects that have been funded for the entire city, only four have reached the east Los Angeles community. Percentagewise, it would be in the 1 to 2 percent of overall. It's very typical to the same situation that occurs in Chicago. In Los Angeles, the development has occurred in the west areas and in the south-central areas of Los Angeles, which happened to be white, Jewish neighborhoods and black neighborhoods by ethnic composition.

Chairman GONZALEZ. You referred in your statement to the fact that some of the banking institutions, I presume, in east Los Angeles—

Mr. VILLALOBOS. Yes.

Chairman GONZALEZ [continuing]. Were actually depositories for quite a number of the citizens in east Los Angeles, but were actually reinvesting their funds somewhere else.

Mr. VILLALOBOS. Yes.

Chairman GONZALEZ. Has your organization or any other in Los Angeles made use of our proviso in the law? Some very enterprising citizens' organizations in Connecticut and New Jersey have made use of this reinvestment proviso that we've had in the law, that compels these financial institutions to divulge their activity. And they've actually compelled these institutions to have a certain

proportion reinvested in the very neighborhood itself for commercial as well as for other purposes.

Mr. VILLALOBOS. See, Congressman, the dilemma that we have is that there is, for instance, the current population, we currently show in the census in Boyle Heights 82,000 residents. The more accurate amount of people that can be, well, the accurate amount of people that we have is double that. And this has to do with the undocumented resident now living in Boyle Heights.

There are some very questionable facts in the census. For instance, I'll give you an arbitrary condition. We show in the census that we have 200 houses. But when the occupancy is depicted, it says 211 houses for this particular census tract are occupied. What happens is that there are in reality 200 houses and 11 garages. The census information is collected by address. Sometimes, these garages have addresses.

So, the population generally is looked upon by developers of commercial projects as a benefit because population means dollars in sales. The Hispanic market in Los Angeles is raved about by all of the commercial entrepreneurs coming into the area. We are currently developing, for instance, a shopping mall smack in the middle of east Los Angeles.

The same developer, however, would not risk to invest his money in a housing project. And the banks will not risk investing in those types of projects.

So population is looked upon in a different way. They will take a risk in commercial projects because they mean dollars and cents in revenues and income. But when it comes to housing, a different attitude is taken by both the lending institutions and the developers.

Chairman GONZALEZ. Well, we may have some additional questions, but we'll submit those in writing for the record so that we won't delay you here any more than it's absolutely necessary. Thank you very much for your patience and your flying all the way over here to be with us. Your testimony is very, very important.

Mr. VILLALOBOS. Thank you very much, Congressman.

Chairman GONZALEZ. Thank you. Have a good flight back.

Well, we next have Mr. Moises Loza, who has, through the years, worked very closely with the subcommittee and has been, I would say, the most persistent, probably the most knowledgeable in housing area needs of the Hispanic of anybody I know.

So thank you again, Moises, and we recognize you at this point and apologize for the long delay.

STATEMENT OF MOISES LOZA, DEPUTY EXECUTIVE DIRECTOR, HOUSING ASSISTANCE COUNCIL, WASHINGTON, DC

Mr. LOZA. That's quite all right, Mr. Chairman. It is always a pleasure. I really appreciate your invitation and thank you very much for your generous words.

I would like to address, as much as possible, the rural housing needs of Hispanics. I think it has been said before by previous witnesses that the data are so far and in between and so minimal, that it is very difficult to get a grip. However, we will take a crack at it.

As we all know, the problems of substandard housing exist both in the cities and in the rural areas; however, as we've said to you many, many times in the past, Mr. Chairman, the problems are proportionately greater in the rural areas. For example, the 1980 census revealed 86 counties in this country that have 33 1/3 percent poverty, and of those 86, 85 are in nonmetropolitan areas.

The 1980 census also revealed that even though the rural areas only have one-fourth of the population, in effect, those same rural areas have 52 percent of the occupied units that lack complete plumbing.

In the last decade, we've seen some dramatic increases in the improvement of the plumbing problem, something like three-fifths improvement, but the problem is, as would be expected, still very, very severe in the poverty-stricken areas.

For example, the incidence of inadequate plumbing facilities in rural homes has declined, though it remains substantial.

In 1981, 63.4 percent of the Nation's units with incomplete plumbing were in rural areas. This is actually an increase over the 1970 rural share which was 62.2 percent. So the Nation is improving, but rural areas still lag behind.

Another indication of the rural areas' lagging progress is that the median value of owner-occupied units in the urban areas is \$57,800 compared to \$49,700 in rural areas. This is from the American Housing Survey for 1981. But the costs of maintaining those homes are \$396 for rural areas and \$404 for urban areas. So the difference is only \$8, and yet the difference in costs of the homes are something like \$8,000.

At the same time, the median incomes of those families are considerably different. The urban median income for these owner-occupied homes was \$23,400 in 1981, whereas the rural figure was \$19,000.

Of course, another major problem in the rural areas is that of clean water and waste disposal facilities. According to a survey conducted by Cornell University for the EPA, two-thirds of rural households in 1982 had unacceptably contaminated water, coliform bacteria being the most common contaminant. The Census of Housing reports that in 1980, nearly 2 million rural households relied on dug wells and undefined sources of water.

Nearly 16 million households relied on septic tanks or cesspools for sewage disposal. And according to a recent Soil Conservation Service study, many of these were in areas deemed not suitable for septic fields, and therefore, were contributing to the water contamination.

Let me speak briefly about the Hispanic housing needs. The American Housing Survey for 1983 showed that there were 4.6 million Hispanic households. About half of these had housing problems. They were either structurally inadequate, overcrowded, or cost-burdened, that is, having to pay more than 30 percent of their income for shelter costs. Over half of these 4.6 million households were very low income. These 2.5 million very low income occupied units had an extremely high rate, 64 percent, of housing problems. A third had high cost burden. And a fifth has structurally deficient units.

Compared to the figures for the general population, very low-income Hispanics show a much greater proportion of overcrowded units—12 percent as compared to 4 percent for all households in that very low-income category.

There are some interesting trends that the American Housing Survey shows. For example, the number of very low income Hispanic households is increasing tremendously. In 1975, it was 1.2 million households. In 1981, it was 1.7 million. And in 1983, it went up to 2.5 million.

The number of those very low-income households with housing problems has also increased from 914,000 in 1975 to 1.6 million in 1983.

We feel that rural Hispanics, as I think has been testified before, have been seriously undercounted by both the Housing Survey and the census. Undocumented workers and migrant workers, for example, are two groups that could easily be undercounted. One study done by the Economic Research Service of the Department of Agriculture suggests that the 1980 census may have excluded as many as two-thirds of all the hired farmworkers. Nevertheless, from what we have been able to see, we find that the rural Hispanics have a 28-percent rate of substandard housing compared to 19 percent for urban Hispanics. And "substandard," in this case, is defined as being overcrowded or not having complete plumbing.

Other trends on the Hispanic housing situation. The overall rural substandard housing rate for all groups declined from 1970 to 1981, from 3,242,000 units to 1,990,000 units. And even though rural Hispanic households with inadequate plumbing decreased from 54,000 to 33,000 between 1970 and 1981, during the same period overcrowded units increased from 52,000 to 106,000 units.

Another interesting figure is that the number of rural Hispanic households in mobile homes, again, between 1970 and 1981, increased from 18,000 to 67,000.

The Hispanics suffer some of the problems that other groups suffer, but there are some things that I think may be unique. The migrant workers and the undocumented workers, for example, have problems that are not like the other low-income racial or ethnic groups. The Bureau of Census estimates that the Hispanic population grew by 61 percent in the 1970's. That compares to 17 percent for blacks and 11 percent for the rest of the population.

It is speculation, but we suspect that the rapid growth of the Hispanic population may, in fact, have contributed to much of the overcrowding as some of the witnesses have testified. The growth rate, for example, may have outpaced the growth of the Hispanic neighborhoods, thereby creating housing shortages, higher housing prices and, of course, the overcrowding.

Discrimination also plays a role in the Hispanic problems. There have been two studies funded by HUD, one in Dallas and one in the States of New York and California. The study done in the States of New York and California show that Hispanics had a higher rate of denial, and their homes were underappraised, and they also were charged higher interest rates.

The study in Dallas, which I suspect you are familiar with, showed that 42 percent of dark-skinned Mexican-Americans were given false information, by real estate agents, and that compares to

16 percent for light-skinned Mexican-Americans and 17 percent for blacks.

The other thing that is interesting in that, compared to the black population, Hispanics file very few fair housing complaints. Between 1979 and 1981, for example, blacks filed 7,000 complaints to the Department of Housing and Urban Development, while Hispanics only filed 627. It is unclear what all the reasons for this are. Maybe fear of reprisal. It could well be that the Hispanic community is just not well-informed about what its rights are, or maybe is not aware of the places they need to go to to file those complaints.

The other interesting thing is that the rate of complaints is consistent with the rate at which Hispanics were being served by the housing programs. Among households with adjusted incomes between 10 and 50 percent of the local median, for example, nearly a fourth of the black households live in subsidized rental housing, while only a tenth of equally poor Hispanic households live in subsidized rental housing.

Again, I think we can speculate. It could well be that during the 1970s when the Hispanics saw this very great surge in growth is when many of the subsidized programs were in existence. It could well be that at that time, the other non-Hispanics were taking advantage of the programs.

More recently, Hispanics seem to be taking as much advantage of the existing section 8 program, but of course, in recent years, we have seen a serious cutback in subsidized housing, so we've kind of come around a little too late.

I think that what all this indicates, and I think it has been said today, the need for a very strong, continued support for a Federal Government commitment to the housing needs of Hispanics. For rural Hispanics, I think the continuation of the proven programs are crucial, if they are to significantly improve the housing situation of Hispanics.

Over the past 15 years, this Nation has witnessed very dramatic progress in the improvement of quality of life for families in rural communities. While poverty and substandard housing have not been eliminated, the Farmers Home Administration has replaced over 1 million units of substandard housing. From 1970 to 1980, Farmers Home made 1.2 million single-family housing loans to rural families, and in addition to the rental assistance programs, I think we have seen a lot of families that without that Federal commitment, would have never gotten into the decent housing that they now live in.

In addition to that, there were something like 12,000 units made available to the migrant farm worker population.

The commitment from the Federal Government, combined with the resourcefulness that Hispanics have shown in the past can, in fact, make a significant difference in changing the housing situation of Hispanics. I don't think it is coincidental that most of the rural groups that participate in self-help housing, for example, are Hispanics. I think that shows a willingness to seek out the assistance and make the maximum use of it. Unfortunately, the recent trend has been somewhat opposite of that. I think the work you are doing on H.R. 1 is a step in the right direction. I admire the courage you have in working to get that bill passed at this time. I think

that effort, plus the resourcefulness that does exist in the Hispanic community, can make the difference, and I think that is the avenue we have to pursue.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Loza follows:]

HAC

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HAROLD O. WILSON
Executive Director

TESTIMONY
OF
MOISES LOZA
SUBCOMMITTEE ON
HOUSING AND COMMUNITY DEVELOPMENT
OF THE
BANKING, HOUSING AND URBAN AFFAIRS
COMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES

September 18, 1985

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Mr. Chairman, I am Moises Loza, Deputy Executive Director of the Housing Assistance Council (HAC). HAC is nonprofit organization that supports the development of rural, low-and moderate income housing nationwide, with special emphasis on minorities and the rural poor. HAC provides technical housing services, seed money loans from a revolving loan fund, housing program and policy assistance, research and demonstration projects, and training and information services.

Rural Conditions

Problems of substandard housing and poverty occur in both city and country, but many major inadequacies are proportionally greater in rural areas. Consider this startling fact: In 1980, there were 86 U.S. counties with poverty rates of 33.3 percent or higher. All but one of those counties were nonmetropolitan. With a little over one fourth of the nation's population, rural areas in 1980 had a disproportionate share (52%) of its occupied units lacking complete plumbing. The rural housing stock lacking complete plumbing has dropped dramatically--by three-fifths--over the last decade, but is still a severe problem in the chronically poverty-stricken areas. Over the last one to two decades, there have been substantial improvements in housing for both rural and urban people. But families in the countryside started that period with poorer housing than their urban relatives, and the rural areas have fallen even further behind.

For example, the incidence of inadequate plumbing facilities in rural homes has declined though it remains a substantial problem. In 1981, 63.4 percent of the nation's units with incomplete plumbing were in rural areas. This is actually a slight increase over the 1970 rural share of inadequate plumbing, 62.2 percent.

As might be expected, the median value of owner-occupied units is noticeably higher in urban areas (\$57,800 versus \$49,700 in rural areas in 1981). But there is relatively little urban-rural difference in median monthly mortgage payments and housing costs (costs include the total of taxes, insurance, utilities and mortgage payments). The median monthly costs for mortgages were \$396 for rural and \$404 for urban areas in 1981.

At the same time household median incomes for urban owner-occupied units are considerably higher than median incomes for rural owner-occupied units. The urban median figure was \$23,400 and the rural figure was \$19,000 for 1981. But median incomes for households in renter-occupied housing are actually slightly higher in rural areas. Here the figures are \$11,400 for urban and \$11,500 for urban households.

Many rural families need assistance to improve their water and/or waste disposal facilities, too. According to a survey conducted by Cornell University for the U.S. Environmental Protection Agency, two thirds of rural households in 1982 had

unacceptably contaminated water, with coliform bacteria the most common contaminant. The Census of Housing reports that in 1980 nearly 2 million rural households relied on dug (not drilled) wells and undefined sources of water.

Nearly 16 million relied on septic tanks or cesspools for sewage disposal. According to a recent Soil Conservation Service study, many of these were in areas deemed not suitable for septic fields, and thus contributed to water contamination. Undefined means of sewage disposal were used by 1.3 million rural households. One and a half million rural households had either no bathroom or only a "half bath."

Thus, the Census indicates at least two million rural households need upgraded water and waste disposal facilities. The EPA study indicates a far higher number, perhaps as many as 14 million households, need facilities to eliminate water pollution, particularly contamination by human waste.

Hispanic Housing Needs

According to the American Housing Survey, in 1983 there were nearly 4.6 million Hispanic occupied units. About half of these had housing problems, i.e., they were either structurally inadequate, overcrowded, or cost-burdened- with more than 30 percent of their income used for shelter costs. Over half were very low-income. The 2.5 million very low-income occupied

units had an extremely high rate - 64 percent - of housing problems. A third had high cost burden. A fifth had structurally deficient units.

Compared to the figures for the general population, very low-income Hispanics show a much greater proportion of overcrowded units - 12 percent as compared to 4 percent for all households.

In terms of trends, the number of very low-income Hispanic households is increasing by leaps and bounds, since 1975, when it was 1.2 million, and 1981, when it was 1.7 million, to 1983, when it was 2.5 million. The number of those very low-income households with housing problems has also increased, from 914,000 in 1975 to 1.6 million in 1983. Most of the increase was among households with high cost burden. To our knowledge, more recent figures are not available, but as the Hispanic population has continued to grow, we expect their housing problems have also grown.

For rural Hispanic figures, we have to turn to the Census, or to the Annual Housing Survey rural volume, last published for 1981. Both are undercounts, especially for the rural Hispanics. It seems likely that many of the urban very low-income households with housing problems find even worse housing in rural areas, where they are part of the migrant farmworker labor force. As you know Mr. Chairman, there are large numbers of Hispanics from

the San Antonio and lower Rio Grande Valley areas, who migrate north to follow the crops.

Problems of Hispanic undercount increase with farmworkers: one study suggested that the 1980 Census may have excluded as many as two-thirds of all hired farmworkers. (Whitener, Hired Farm Labor Data from the Decennial Census: Limitations and Considerations, USDA/ERS, 1983.) The USDA/ERS survey for The Hired Farm Working Force is based on a sample representative of the Census population, and ERS cautions that the extent of nonsampling error (error due to the extent of the population not represented) is not known. (Hired Farm Working Force in 1981, pp.50 - 51.)

Nevertheless, the Census shows that a higher percentage of rural (28%) than or urban (23.5%) Hispanics live in substandard housing, conservatively defined as units lacking plumbing or overcrowded.

The American Housing Survey reveals interesting trends. For example, the overall rural substandard (lacking plumbing or overcrowded) housing rate for all groups declined from 1970 to 1981 from 3,242,000 units to 1,990,000 units. Even though rural Hispanic households with inadequate plumbing decreased from 54,000 to 33,000 between 1970 and 1981, during the same period, overcrowded units with plumbing increased from 52,000 to 106,000. The number of rural Hispanic households in mobile homes increased

from 18,000 in 1970 to 67,000 in 1981.

Hispanic Housing Problems

While hispanics suffer housing problems for many of the same reasons as other groups, they may face additional problems that are fairly unique. For example, members of the Hispanic population who are migrant workers or undocumented workers may face unique housing problems because of their special situation. It is also possible that Hispanics face special housing problems as a result of their rapid population growth.

The Bureau of the Census estimates that the Hispanic population grew by 61 percent during the 1970's while the black population grew by 17 percent and the total population grew 11 percent. The rapid growth of the Hispanic population may have outpaced the growth of Hispanic neighborhoods, thereby creating housing shortages, higher housing prices, and more overcrowding. Housing segregation and discrimination may have further aggravated this problem.

Housing discrimination almost certainly contributes to housing deprivation among Hispanics. A HUD-funded study (Schafer and Ladd, 1980) of the lending practices of state-regulated savings and loan association in California and New York found ample evidence of discriminatory lending against Hispanics. Even when the credit worthiness of the mortgage applicant and the

security value of the property were taken into account, Hispanics faced higher denial rates than non Hispanics in a third of these markets. Hispanic mortgage applicants were also charged higher interest rates than whites and had their properties underappraised.

A HUD study (Bakken, 1979) of rental housing practices in Dallas found considerable evidence of discrimination against Hispanics. Audits of rental properties using matched pairs of auditors revealed that 42 percent of dark-skinned Mexican-Americans were given false information on availability, while only 16 percent of light-skinned Mexican-Americans and 17 percent of blacks were given false information. The reason for the higher rate of discrimination against dark-skinned persons of Hispanic origin is unclear, but the inference that some groups may face both racial and ethnic discrimination is disturbing.

Compared to blacks, Hispanics file very few fair housing complaints. Despite ample evidence that Hispanics encounter housing discrimination as often as blacks, blacks' complaints to HUD outnumbered Hispanics complaints by more than eleven to one between 1979 and 1981. Blacks filed nearly 7,000 complaints with HUD while Hispanics filed only 627. The number of complaints filed by Hispanics was only slightly greater than the number of complaints filed by whites.

There are several possible reasons why Hispanics are

reluctant to file complaints. Hispanics may have a very poor understanding of their fair housing rights and the procedures for securing them, or perhaps Hispanics are reluctant to exercise their rights because they fear reprisals.

The reluctance of Hispanics to fair housing assistance from HUD is consistent with their low level of participation in HUD-assisted housing programs as well. Among households with adjusted incomes between 10 and 50 percent of the local median, nearly a fourth of black households lived in subsidized rental housing while only a tenth of equally poor white households and a tenth of equally poor Hispanic households lived in subsidized rental housing.

The low coverage rate of subsidized housing among Hispanic households is disturbing. What is even more disturbing is the possibility that Hispanics are being discouraged from living in subsidized housing because of a shortage of subsidized units in Hispanic neighborhoods. While a shortage of subsidized units in Hispanic neighborhoods has not been demonstrated empirically, there are several reasons for suspecting that such a shortage exists. First, the fact that the Hispanic population grew so rapidly during the 1970's means that the demand for subsidized housing in Hispanic neighborhoods increased considerably. Second, given that most of HUD's subsidized housing inventory was built under programs which tied the subsidy directly to the unit for its entire life, local housing authorities would have been

unable to shift many subsidized units to Hispanic neighborhoods in any event.

Conclusion

Though it may go against the grain of the present trend, I think that data indicate a need for continued concern and support by the federal government for the housing needs of Hispanics.

For rural Hispanics the continuation of proven programs is crucial if they are to significantly improve their housing situation. Over the past fifteen (15) years, this nation has witnessed dramatic progress in improving the quality of life for families in rural communities. While by no means eliminating poverty, substandard housing, or unemployment, federal assistance has provided many low-income people with an opportunity to achieve a better way of life. For example, over one million units of substandard housing in rural areas were replaced during the 1970s by the Farmers Home Administration (FmHA).

From 1970 to 1980, FmHA made over 1.2 million single family housing loans to rural families. Full implementation of the interest subsidy program during this period allowed service to low-income families unable to afford high mortgage rates. For the first time in their lives, these families had a chance at the American dream.

During the same period, FmHA made over 11,000 Section 515 loans, which produced 186,250 units of rental housing. In addition, 11,245 units of housing for migrant and seasonal farmworkers were produced. Rural low income families were further helped by the rental assistance program, which provided financial assistance to reduce the rental payments of qualified tenants.

Shelter is not expendable item that can be cut back or eliminated when times are difficult. It's an essential element required for the support of human life that also has a direct bearing on the creative and productive potential of people.

Rather than being eliminated or cut beyond useful capacity, as is the current trend, programs should be reformed to assure their efficiency and increase their ability to serve the intended beneficiaries.

Chairman GONZALEZ. Well, thank you very much, Mr. Loza, for your constant and sustained support. I guess if some of us keep on hewing to the line, it is because we have also had people like yourself that have inspired us and have given us the basis for, with certitude, knowing that we are right.

You express some puzzlement about some of the things that continue to plague the Mexican-American, particularly the darker-skinned or hued citizen. Well, it is historical and it is cumulative. Immediately after the war, in San Antonio, I helped organize a group, the only one of its kind that has ever been organized in San Antonio, of businessmen who had made good during the war, Mexican-American, and the first little nucleus of Mexican-American. Before that, you had had a country in a city. You had what today would be called political exiles or refugees over a 30-year period.

In the Depression of 1934, and because of the amnesty proclamation of President Lázaro Cárdenas, from San Antonio, Bexar County alone, you had the repatriation of over 20,000 in 1 year, 1934.

So, that was the beginning of a new era in San Antonio, because with that drain, you preempted the then-established business institutions that were quite substantial. But you could live in San Antonio like my father and not have to know a word of English and make a living. Well, of course, today that is unthinkable. You also had a Spanish language daily newspaper in Spanish, the only Spanish language daily newspaper in the United States. And it was published for 44 consecutive years.

So that the big thing then was the cruel discrimination, particularly in the rural areas, even in urban areas like San Antonio, directed against the Mexican-American, but particularly those that were darker complexioned, which reflected the great prejudice then and to this day toward the black.

There was one fundamental difference and that was that the Mexican-American never had to face statutory Jim Crow laws; the black did.

Also, it revealed the pluralistic aspects of the group. It is a very pluralistic group. You have all the way from the so-called Castilian type or the blue-eyed, blonde-haired, who, in many instances was accommodated and was found acceptable by the dominant group, even though, in many instances, they would change their names. Martinez would become Martins. And they were able to coalesce. But the less fortunate—under those conditions—I say less fortunate—faced all of the brutality and crudeness of the discrimination then rampant and out and out, cut and dried, directed against the black.

So that when the war broke, the war was the leveler of these barriers. The contribution in the field of battle of the Mexican-American, where in Texas alone, we had seven Congressional Medal of Honor winners, really did a lot that has yet to be written about.

So that about 1946, I realized what the problem was. I had been fortunate enough to have worked with the Bexar County Juvenile Court and had been chief juvenile probation officer. And I was astonished when I saw that that made some news, when they wrote a feature article saying that I was the first Mexican-American—or

Mexican descendant—at that time, they didn't use the word "Mexicans," "Latin American." The LULAC's, League of United Latin Americans Citizens, was founded about 1928, which clearly reflects that was the acceptable designation at that time—"Latin American." Anything other than "Mexican." "Mexican" has always been a pejorative phrase in Texas.

And I saw that for the first time, because of circumstances, some of these more industrious and enterprising young, relatively young business men, some from Mexico, had capitalized during the war. They didn't have to go off, so they got into business, such as importing scarce lumber from northern Mexico, and made a good profit. Some of them reached the point of near or millionaire status.

So, I got them together and tried to convince them that there was a need for them to discharge some social responsibilities. Being that my family had quite a deal of acceptance with this particular group, they kind of looked at me, kind of thought I was a rare bird, because I was one of the few that had come, gone through college and come out at that time.

You've got to try to visualize the time in which the only doctors, for instance, Mexican or Mexican-American were graduates of the University of Mexico School of Medicine.

I think in 1940, you had about five or six, and one, for the first time was a Texan who had finally graduated and came out as a doctor. But you had no cadre of dentists, you had no engineers, you had no architects, all of which, of course, now we take for granted. But it is cumulative. We still suffer from the cumulative effects of that tremendous period of callous cruelty and discrimination.

One thing, they laughed and said, "Well, tell us what it is you think we can do." "Well," I said, "the main thing is, I would like to organize a business group, strictly business. I'll write the constitution and the bylaws, but try to raise \$25,000"; which we did.

Now you haven't had anything like that since anywhere round San Antonio. We called it the Pan American Progressive Association, because they had formed—some of the members had formed the Pan American Optimists Club. And that was also acceptable. "Pan American," why, the dominant group. That was all right.

So we called it PAPA, the Pan American Progressive Association. We got into the middle of some of the things that I knew were direly needed, such as people just a quarter of a mile from city hall having to buy their water in barrels, mostly Mexican families, and over on the east side, some black families, because the city water board then was a self-contained body, self-perpetuating board, and you had a private company just a quarter of a mile away from the city hall, selling water to these residents, 40 cents a barrel, 50 cents a barrel. Some of the barrels of water had wiggle worms in them.

And I thought, well, we can do something. So I did, and we agitated, and we finally got the city water board to literally take over the private company and extend a little main.

But then one day I had a visit from a veteran. He had 100-percent disability, and he had heard about me, and he came over, and he said "You know, I went over to the new homes they are constructing out there near St. Mary's, on the way to St. Mary's."

Well, at that time, that was undeveloped land, and they were beginning to build homes. The developer was a fellow by the name of Bucher. And he said, I was told that—I saw the for sale signs, and when I went up, the salesman said, "Well,"—this individual's name was Trevino—he said, "Well, it's sold." He said, "but one month later, it was still for sale. So I went back, and then he just told me, he says, 'Look, we don't sell to Mexicans. We can't. We have deed restrictions.'" So he said, "What is this all about?"

So I said, "Well, they do have restrictive deeds"—and in fact, my last year in the law school, I had made a study and had discovered that there was quite a lot of speculation among the law professors as to the validity or the constitutionality of what they call "restrictive covenants," based on race, color or creed. And some even said, "Well, if this ever is appealed on all four points, there is no question the court will hold these practices unconstitutional."

But then I had kept contact with the law school after I left it, even though I didn't practice, and I read after the war in 1946, that a group of blacks in St. Louis had raised a quarter of a million dollars, and they were appealing restrictive covenant cases and trying to go to the Supreme Court. Just about the time we organized this committee, I saw a note saying that the Solicitor General of the United States, his name was Pearlstein, was going to intervene as an *amicus curiae* on behalf of the applicants.

So I was very much on that, when this Trevino came in, and I said, "Well, I don't know what we can do, but let me check the deed records in the county." And sure enough, Bucher had filed in the master deed records, a restrictive covenant, prohibiting the sale to a Negro or Mexican. I explained to Mr. Trevino that the only hope we had was that there would be a resolution on a national level, but that with his meager resources, it would be difficult to initiate a court fight, but that I was seriously contemplating trying to use the resources of the organization.

Well, about that point, the father of a young lady that worked as a seamstress with them then, in San Antonio, with the International Lady Garment Workers Union, that I had worked for as an English and citizenship instructor, came to see me with two young men, one his son, also a veteran just back from the war, and the other a fellow by the name of Humphrey, who was a 100 percent disabled veteran and had a house over in the Earl B. Mayfield Subdivision on Palo Alto Road. Earl B. Mayfield was the Ku Klux Klan candidate for Congress in 1918 and 1920, who won. He was the congressman from that area [chuckling], and he had given his name to that development which, in the meanwhile had been taken over by a very prominent Bexar Countian and who developed the area somewhat. It was in the poorer Anglo area.

To make a long story short, Humphrey was direly in need of some funds for his medical treatment, and he had attempted to sell the house to Adam Puente, Jr., who gave him \$3,000 cash which he had accumulated from his service pay. Humphrey immediately spent it. When one day, they got a sheriff's service indicating that they were to appear the following Monday at a preliminary injunction hearing restraining Adam Puente from taking possession.

So that is what they had in their hand. They didn't know. Mr. Puente said, "Well, my daughter told me that you would help us."

I said, "Well, what you've got here is—you've got to have a lawyer, because if you don't appear on Monday, you will lose by default. But what you have here," I said, "I don't know." He said, "Well, we went to the title company, and they told us they could sell us a title, but there was some cloud on it." I said, "Well, I think it is a restrictive covenant." So I checked that out, and sure enough, the master deed files, filed in 1919, I believe, had these restrictive covenants. In fact, one of them even went so far as to say, "Negroes, Mexicans, or Jews." [Laughter.]

So I said, "Well, we are going to do something here now." I said, "Do you have a lawyer?" He said, "We don't have any money. We've already spent the money. Humphrey can't give it back to us. And what do we do?"

So I called a dear friend and asked him if he would intervene as an attorney of record. And he said, "Well, Henry, I have no experience of practicing in the district court. I wouldn't even know how to prepare the answer." I said, "Well, if I prepare it for you, will you file it?" [Laughter.]

So I prepared it for him, and he filed the answer. Actually we were asking for a postponement. So the judge gave us a 3-weeks' postponement. So in the meanwhile, the lawyer came in and said, "Look, I really don't have any experience in the district court." So then I called my good friend, Carlos Cardena, who was attempting to practice law, who was a brilliant constitutional law student at the University of Texas, graduated with honors, and of course, he was finding it hard trying to practice law. He is now a fourth court of civil appeals judge, but at that time, he was kind enough, and he said, "Well, I'll go in."

But in the meanwhile, I thought we would try to build a case, and I also contacted the Solicitor General's Office of the United States, and by golly, they were getting ready to argue the case in, I think, the October session 1947.

So I took great heart, and I told Carlos, and Carlos said, "Well, the only thing I know is that we've got to come in, make our presence known, and in view of what you tell me, what we can do is draft our answer in such a way that we will request Judge Taylor to postpone, pending adjudication of the matter by the Supreme Court, since it is pending."

We did that, but in the meanwhile, I thought I would try to dramatize the thing, so I got a good friend of mine at the then Evening News I had met when I was a juvenile officer, and we went out and took a picture, a pathetic scene of this disabled veteran wringing his hands, and this poor Mexican family trying to move in. But then I had a call from the president of the organization. He called me in, and he had four board members. He said, "Hey, look, we don't mind you doing it, but don't get us in there with a nigger." [Laughter.]

These are all Mexican-Americans, Latin Americans, successful businessmen, and some of them had been acceptable at the Lions Club, downtown. And so I said, "Well, I'm sorry, but I'm committed to backing up Mr. Cardena. He is not charging us a fee, but we've got some court expenses." And he said, "Well, you're not going to get any of these funds." So I said, "Well, you know what you can do with this job." [Laughter.]

And threw it right to them.

And then we proceeded. Now the reason I am going into this detail is that you had this kind, this is the nearest the Mexican-American group came to legal discrimination. We never did have to face what the black did in the way of Jim Crow laws and statutory provisions, even constitutional, State constitutional provisos. But I did notice the pattern that, if it were a darker-skinned citizen, he would face the full impact, as if he were black. And that obversely, if you were light-skinned, blonde, and all, you could be very much assimilated, accepted.

At that time, the group was ghettoized, because of the restrictive covenants, among other things. There was no Mexican-American family living north of San Pedro Park that I can remember as I grew up, and one of the first to move there was a very prominent attorney, later a first assistant district attorney, years later, and he had married a non-Mexican-American. I always hate designations, because you can't generalize. You know, you can't say, well, all of the Anglos—or whatever they want to call them, and I don't even like that word, are discriminating, because they weren't.

And it is very difficult to generalize and be fair and truthful. It is a very difficult area, and we've got to realize that in a matter of years, I would say after 1950, you began to see the first emergence of people in substantial numbers from the ghetto areas. So you have all of that by way of a cumulative effect, because these things don't get isolated in a given decade. They cumulate. It's like 1950, the census will show you that a 14-year-old Spanish surnamed male in Refugio County had less than 1 year median average educational attainment. In Dallas County, it was 2.2. In our own country of Bexar County, it was about 5.4.

Now that is cumulative. That child, 14 in 1950, who 7 years later was 21 years of age, was the one that during the poverty programs, a lion's share of your retraining funds, which were really reeducational funds, were going to, who tried to extricate from this cumulative buildup of neglect.

So I think that is one reason why you see these residual manifestations. Naturally, human groups group together because of self-protection and fear. That is a natural and normal reactive response of the average human group, no matter what their descent. And we might think we are unique in the Southwest, but we have Italian-descended groups, Irish-descended groups, that have faced pretty much the same thing. The Croatian, middle Europe groups. Even to this day, what they call "white minority" in Cleveland, in Gary, IN, Chicago, east Chicago areas, you go there today, and you'll see the same things. And you will find them grouping together for their own protection.

So I think what you have referred to here is a residual historical remaining trace.

Our big challenge today is, as I have tried to say since Lyndon Johnson's time, to the minorities, is the legal, the civil rights and all, and so on, I don't know of any place today that has the practices that we took for granted in the 1950's, but as I have tried to tell these leaders, what good does it do to be able to get to the Woolworth counter to get a Coke and a hamburger, at last, if you don't have the dollar with which to buy them. [Laughter.]

So it's really economic now. And that is the challenge, and this is where the individual component groups of our society are going to have to be using their ingenuity and transcending the ingroup or the ethnic tribal isolation. And this, I think, is a test of us all, whether we can transcend that and in a collective manner, attack these problems that collectively assault us.

And as I say and repeat, I think right now the big thing is the era of shortages and blight, I call it, the lack of faith in the American people's ability to continue the dream of plenty, and away from a philosophy of shortages and blight and inadequacies. This country is still a dynamic growing country. I have been trying to tell my colleagues here that talk about a freeze. I said it is ridiculous. The only thing you freeze is inert, dead matter. Don't freeze living matter. [Laughter.]

Anyway, forgive me this great dissertation, but I thought that you would benefit from some of this history because you come from a much younger generation. I lived through that period, and some of the proudest things like that fight on restrictive covenants, we were able to win that court case, because on May 3, 1948, the Supreme Court ruled, and we went immediately to Judge Taylor, and he ruled in our favor.

But to show you how adamant, the plaintiff in that case, was, he appealed to the fourth court of civil appeals, and of course, it ruled in consonance with Judge Taylor. So then they appealed it to the Texas Supreme Court, and unwittingly, even helped us further, because they established a juridical precedent in the corpus of Texas law, and the decision is impressive.

And it is amazing to me now to see this because it was before the 1954 school desegregation decision. It was before Martin Luther King was even heard of. And remember that Mexican-American leaders were saying, "look, all right, if you want to go in there and fight for us, but don't get us mixed with the nigger." And they used that word. They weren't using black.

So I think it is revelatory of the fact that no matter where we come from in America, we're all in the same boat, and we have a lot more of a common heritage than we'd like to care to admit. Probably with the exception of the native Indian and the black, everyone of us has a sort of a common heritage or brotherhood of experience.

I want to thank you once again, Moises. You've been very helpful all along, and it was very generous of you to take your time and give us this presentation.

Mr. LOZA. Thank you, Mr. Chairman.

Chairman GONZALEZ. Thank you, sir.

And we will stand in adjournment until further call of the Chair.

[Whereupon, at 6:45 p.m. the hearing was adjourned, to reconvene at the call of the Chair.]

[The following additional material was submitted for inclusion in the record:]

United States Congressman
HAROLD FORD
HAROLD FORD
 ...OLD FORD

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REPORT CITES HIGH POVERTY RATE AMONG HISPANIC CHILDREN

The Congressional Research Service has released an important supplement to the report, Children in Poverty, which analyzes in detail the poverty circumstances of Hispanic children. The supplemental report was prepared by CRS at the request of Congressmen Harold Ford (D., Tenn.), Charles Rangel (D., N.Y.), and Bill Richardson (D., N. Mex.).

In announcing the release of the report, Congressman Ford said, "We knew from the earlier report that the economic recovery was simply not reaching black children. We now know that Hispanic children are also being left behind. I asked for this supplemental report because it seemed to me that a more careful look at Hispanic poverty was needed. I was right. This report shows that the 1983 poverty rate of Hispanic children was 38.2 percent, 2.5 times higher than the rate of white children.

"In our earlier report, Hispanic children were most often identified as white. By separating them from white and black children for statistical purposes, the study illustrates even more starkly the uneven distribution of this nation's wealth: across the board, Hispanic and black children have much higher poverty rates than white children who are much better off than Children in Poverty suggested.

"The poverty rate for Hispanic children was lower than that for black children mainly because many more Hispanic children live in two-parent families, which generally have much lower poverty rates. One factor contributing to the high rate of poverty among Hispanics, however, is the fact that most Hispanic children have a family head who does not have a high school diploma."

In 1983, 2.16 million Hispanic children had incomes below the Census Bureau poverty thresholds. The incidence of poverty among non-Hispanic white children was 14.9 percent in 1983. (Children in Poverty reported the white child poverty rate, including most Hispanic children, to be 17.3 percent.) Non-Hispanic black children had a poverty rate of 46.6 percent. The poverty rate for Hispanic children was 38.2 percent.

Statement Congressman Claude Pepper

Mr. Chairman, members of the committee, thank you for allowing me to testify on the state of hispanic housing conditions at this most appropriate time - Hispanic Heritage Week. I have the privilege and honor of representing a large hispanic population composed mainly of Cuban-Americans in Dade County, Florida.

The first large scale immigration of Cubans to the United States occurred in the early 1960's. This group was composed of highly educated, highly skilled individuals. Through their industriousness they have contributed to the transformation of the City of Miami into a better place to live with an exciting international flavor. These first immigrants are extremely successful and the vast majority are economically comfortable. Consequently, in the past whenever there was a national discussion about the plight of hispanics the Cuban-Americans were usually the exception to the rule. The number of hispanics of Cuban extraction living in substandard or overcrowded living conditions was significantly less than that of the national hispanic population. However, from the mid 1970's until the present a large number of unskilled, poorly educated Cuban-Americans, as well as other hispanics have come to live in Dade County, concentrated to a great extent in my congressional district. Today, there are 200,000 out of an estimated 600,000 hispanics living below the poverty level in Dade County. I am confident given the time and the opportunity these relatively new immigrants to our land will lift themselves out of poverty and contribute in great ways to the future economic growth of South Florida and our nation.

At the present time, however, the housing conditions for a significant number of my hispanic constituents are less than desirable. It has been determined that 9.1% of Cuban-Americans either live in substandard housing or live in a dwelling which is too expensive in relation to their income. Also, 12% report their residence is in need of at least one major repair and 41% of those who rent must have assistance from another source to meet their rental obligations. Only 15% of Cuban-Americans own their own homes outright and another 10% are making mortgage payments. Thus, it is not surprising that 11,000 hispanics are on the waiting list for Section 8 housing and 16,000 hispanics are on the waiting list for public housing in Dade County.

Furthermore, the housing market in Dade County is extremely tight. To alleviate the overcrowding and physical deterioration of housing for all my constituents requires the construction of new public housing units and the expansion of the Section 8 moderate rehabilitation program. Portable housing certificates cannot solve the housing problem in Dade County. In fact, if the Reagan Administration does not expand the availability of housing units in my congressional district and provides only portable housing certificates it is possible that rent gouging could occur, exacerbating the problem rather than helping my constituents.

It should be noted that the hispanics in Dade County utilize the Section 8 program much more than the public housing program.

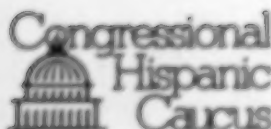
This can be attributed to the fact that the majority of family oriented public housing units are not located in or close to hispanic neighborhoods. In the elderly 202 housing program where the projects are more centrally located nearly half of the participants are hispanic.

In regard to discrimination in housing, it is hard to determine the applicability of national statistics to Dade County. As you know it is estimated that between 16% and 41% of hispanics nationally suffer from some type of housing discrimination which keeps them locked into poor housing conditions. Since, discrimination in housing is not documented in relation to Cuban-Americans I am hopeful that if your committee decides to fund additional demonstration projects to quantify the extent of this problem that you consider selecting Dade County for one of them.

In summary, there is an urgent need for improving housing for many residents of Dade County: Anglo, Black and Hispanic. My constituents need new public housing construction, rehab money and additional Section 8 certificates, given our tight housing market.

At this time Mr. Chairman I would like to introduce to this distinguished committee my good friend, a prominent Cuban-American, Mr. Tony Estevez. Mr. Estevez is a developer who has been a leader in providing quality affordable housing to the residents of Dade County.

Thank you.



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Bill Richardson, Chairman (D-NM)	Matthew G. Martinez, Vice-Chairman (D-CA)	Stephen E. Yarns, Secretary-Treasurer (D-CA)	Harry S. Gandy (D-TX)
Edward R. Roybal (D-NM)	G. "Rico" de la Garza (D-TX)	Manuel Lujan, Jr. (D-NM)	Ruben Garcia (D-UT)
Solomon P. Ortiz (D-TX)	Albert C. Bustamante (D-TX)	James Foster (D-PR)	Tony Coelho (D-CA)
			Director - John E. Herrera

THE CONGRESSIONAL HISPANIC CAUCUS

The Congressional Hispanic Caucus, organized in December 1976, is a bipartisan group of thirteen members of Congress with a common commitment to develop a united congressional effort on behalf of Hispanic Americans, that is, Americans of Mexican, Puerto Rican, Cuban, Central and Latin American, Spanish and Portuguese ancestry. In addition, the Caucus encourages Honorary Memberships from members of Congress who support the legislative issues confronting the Hispanic community.

Although every issue that affects the quality of life of all Americans is a Congressional Hispanic Caucus concern -- from peace and war to education and the environment -- there are national and international issues that have a particular impact on the Hispanic community.

The Caucus raises its united voice for the Hispanic American community. It proposes legislation. It monitors legislative action and policies and practices of the executive and judicial branches of government. Not only has the Caucus become the political focal point for Hispanics throughout the nation, but it has taken an increasing role in keeping all members of the Congress and their staffs well informed about the concerns of Hispanic Americans.

Legislative priorities of the Caucus have been: Voting Rights, Civil Rights, Justice, Hunger, Education, Jobs and Unemployment, Immigration, Hispanic Small Business and U.S. foreign policy toward Latin America.

For the 99th session of Congress legislative bills for passage and ongoing issues are: An Immigration Bill, The Civil Rights Restoration Act of 1985, The Higher Education Act Reauthorization, H.R. 593 (The U.S.-Mexico Joint Development Bank Act), a free Trade and Co-Production Zone on the U.S.-Mexico border, a Bi-lateral commission with Mexican officials; Low Income Housing, Hispanic Business, Health Care and Nutrition and Budget priorities for the Hispanic community.

To give more visibility to the issues that have the greatest impact on the Hispanic community, and to reach out to those communities and keep them well informed the Caucus is undertaking these activities for 1985:

A weekly report and monthly newsletter to all members and honorary members of the Caucus.

A monthly special report outlining a particular problem affecting the Hispanic community.

A monthly speaker series

A monthly national column on Hispanic issues.

Monthly and weekly television programs and PSA's.

Occasional national oversight trips by members to Hispanic communities.



HISPANICS IN THE NATION'S STATES

Rank	State	Hispanic Population	Hispanic Percentage of State Population	Percentage of U.S. Hispanic Population	Hispanics in State Elected Offices*
1	California	4,543,770	19.2	31.1	7/120
2	Texas	2,985,643	21.6	20.4	21/181
3	New York	1,859,245	9.5	11.4	7/210
4	Florida	857,898	8.8	5.9	1/170
5	Illinois	835,525	5.6	4.4	0/236
6	New Jersey	491,867	6.7	3.4	0/120
7	New Mexico	476,089	36.6	3.3	31/112
8	Arizona	440,915	18.2	3.0	12/80
9	Colorado	339,300	11.7	2.3	9/100
10	Michigan	162,388	1.8	1.1	2/148
11	Pennsylvania	154,004	1.3	1.1	0/252
12	Massachusetts	141,043	2.5	1.0	0/198
13	Connecticut	124,489	4.0	0.9	0/187
14	Washington	119,986	2.9	0.8	0/147
15	Ohio	119,880	1.1	0.8	0/132

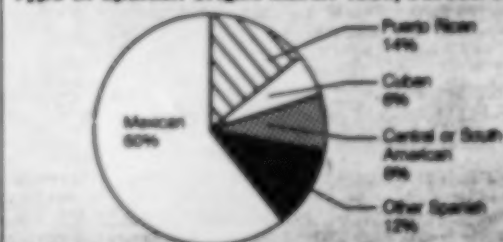
*These figures include both houses of state legislatures.

More than three-fifths of the nation's 15.9 million Hispanics reside in California, Texas and New York according to the 1980 census. There are 25 U.S. cities with Hispanic populations of 50,000 or more, and New York leads the group with 1,405,957.

Fifteen states have 100,000 or more persons of Hispanic origin, the census indicates. There are 1,353,831 Spanish-origin people in the 35 remaining states and the District of Columbia, 8.3 percent of the U.S. Hispanic total.

PUERTO RICO—U.S. Census figures show 3,196,520 people living on the island in 1980, an increase of 170% since 1970. The Bureau is still analyzing all other data.

Percent Distribution of Persons of Spanish Origin, by Type of Spanish Origin: March 1980, Bureau of Census.



The above percentages do not include population figures for Puerto Rico.

HISPANICS IN THE NATION'S CITIES

Rank	City	Hispanic Population	Percentage of Total Population	Hispanics On Elected Council	Rank	City	Hispanic Population	Percentage of Total Population	Hispanics On Elected Council
1	New York City	1,405,957	19.9	3/43	14	Hialeah*	107,808	74.3	2/7
2	Los Angeles	815,989	27.5	0/15	15	Denver	91,937	18.7	2/13
3	Chicago	422,061	14.0	1/50	16	Santa Ana	90,648	39.3	2/7
4	San Antonio*	421,774	53.7	4/9	17	Laredo*	85,076	93.0	6/8
5	Houston	381,224	17.6	1/14	18	San Francisco	83,373	12.3	0/11
6	El Paso	295,619	62.5	2/6	19	Tucson	82,186	24.9	2/6
7	Miami*	194,067	55.9	3/4	20	Brownsville*	71,139	83.7	3/4
8	San Jose	140,574	22.1	1/6	21	Austin	64,786	18.7	1/6
9	San Diego	130,610	14.9	1/8	22	Philadelphia	63,570	3.8	0/17
10	Phoenix	115,572	15.1	0/6	23	Newark	61,254	18.6	0/9
11	Albuquerque	112,084	33.8	3/9	24	Fresno	51,489	23.6	1/7
12	Dallas	111,082	12.3	1/10	25	Long Beach	50,700	14.0	0/9
13	Corpus Christi	108,175	46.8	0/6					

Third column shows the number of Hispanics and the total membership of the city council or comparable elected governing body. For example, of New York City's 43 council members, 3 are Hispanic.

*City has a Hispanic mayor.

Source: U.S. Census Bureau and RLC compilations.

HON. BILL RICHARDSON D-NM, CHAIRMAN

325 Cannon HOB
(202) 225-6190

Committee on Energy and Commerce; Subcommittees: Health and the Environment; Commerce, Transportation and Tourism; Fossil and Synthetic Fuels.

Committee on Interior and Insular Affairs; Subcommittees: Public Lands and National Parks; Water and Power Resources.

Bill Richardson is the Representative of the 3rd Congressional District of the state of New Mexico. The 3rd District covers the counties of Catron, Cibola, Colfax, Harding, Los Alamos, McKinley, Mora, Rio Arriba, San Juan, San Miguel, Sandoval, Santa Fe, Socorro, Taos, and Valencia. Richardson has long been involved in the political arena. After receiving his M.A. from the Fletcher School of Law and Diplomacy, Richardson worked for the Office of Congressional Relations at the Department of State from 1973-1975, and then served as professional staff member and investigator with the Senate Subcommittee on Foreign Relations Assistance of the U.S. Foreign Relations Committee from 1975-1978. In 1978 he was the executive director of the New Mexico Democratic Party, and also the Bernalillo County Democratic Party. He has also been involved in community services such as the Santa Fe Big Brother/Big Sister Program, Boys Club, Santa Fe Chamber of Commerce, Jaycees, and the G.I. Forum. He is a member of the Hispano Chamber of Commerce and the Hispanic Council of Foreign Affairs. Congressman Richardson was elected to the 98th Congress on November 2, 1982.

Congressman Richardson: "The Hispanic community is coming to grips with their political, economic, and social power. I am proud to be a part of this movement and to contribute everything that I can to ensure that Hispanics take their rightful place in the American mainstream."

HON. MATTHEW G. MARTINEZ D-CA, VICE-CHAIRMAN

430 Cannon HOB
(202) 225-5464

Committee on Education and Labor; Subcommittees: Employment Opportunities - Chairman; Labor-Management Relations; Labor Standards.

Committee on Veteran's Affairs; Subcommittees: Compensation, Pension and Insurance

Matthew "Marty" Martinez is the Representative of the 30th Congressional District of the state of California. His district includes the communities of Alhambra, Azusa, Bell, Bell Gardens, Commerce, Cudahy, El Monte, Irwindale, Maywood, Montebello, Monterey Park, Rosemead, San Gabriel, Vernon, and parts of the South San Gabriel and East Los Angeles. Prior to his election, Martinez served in the California State Assembly. He has long been active in community affairs in the San Gabriel Valley. He was on the Monterey Park Rotary Club board of directors and was named Rotarian of the Year. In 1979, he received the highest award bestowed by the Monterey Park Chamber of Commerce. Martinez is also a member of the Hispanic-American Democrats, and the National Association of Latino Elected and Appointed Officials (NALEO).

Congressman Martinez: "I feel proud and determined to work closely with my colleagues to continue educating and informing the public on the special needs and concerns of the Hispanic community."

HON. ESTEBAN E. TORRES D-CA, SECRETARY-TREASURER

1740 Longworth HOB
(202) 225-5256

Committee on Banking, Finance and Urban Affairs; Subcommittees: Housing and Community Development; International Development Institutions and Finance; Economic Stabilization.

Committee on Small Business; Subcommittee: SBA and SBIC Authority, Minority Enterprise and General Small Business Problems; Energy, Environment and Safety Issues affecting Small Business.

Esteban Torres is the Representative of the 34th Congressional District of the state of California. His district includes the communities of Artesia, Baldwin Park, Industry, La Puente, Norwalk, Pico Rivera, Santa Fe Springs, South El Monte, West Covina, and parts of Basset, Hacienda Heights, Los Nietos, Rowland Heights, South Whittier, and Valinda. Congressman Torres has had a long career in various capacities at the local, national, and international level. After serving in the Army in the Korean War, Torres worked as an auto assembly line worker. He became chief steward of UAW local 230 in 1961. From 1963-1964 Torres served as UAW International Representative for Region 6; from 1965-1968, he was UAW Inter-American Representative. Torres was the assistant director of the International Affairs Department of the UAW from 1974 to 1977. He was appointed the U.S. Permanent Representative (Ambassador) to UNESCO by President Carter in 1977. Torres was the special assistant to President Carter and director of the White House Office of Hispanic Affairs from 1979 to 1981. Congressman Torres was elected to the 98th Congress on November 2, 1982.

Congressman Torres: "I have represented the Hispanic Community throughout my public career. The Congressional Hispanic Caucus offers a new challenge to represent the Hispanic population and to work with other Congressional leaders who are equally dedicated. Together we will be able to assert united Hispanic political power and hopefully achieve results which the Hispanic community has long awaited."

HON. HENRY B. GONZALEZ D-TX *

2413 Rayburn HOB
(202) 225-3236

Committee on Banking, Finance and Urban Affairs; Subcommittees: Housing and Development Chairman; General Oversight and Renegotiation; Consumer Affairs and Coinage.

Committee on Small Business; Subcommittees: General Oversight and the Economy; Antitrust and Trade Activities affecting Small Business.

Henry B. Gonzalez is the Representative of the 20th Congressional District of the state of Texas. His district is composed of the heart of San Antonio, approximately the old city limits lines. Congressman Gonzalez started his public career as a chief juvenile officer for Bexar County and later served as a member of the San Antonio City Council. Prior to his election to the Second Session of the 87th Congress, Gonzalez served 5 years in the Texas State Senate. In Congress, Gonzalez is a senior member of the Banking, Finance and Urban Affairs Committee where he serves as Chairman of the Housing and Community Development Subcommittee.

Congressman Henry B. Gonzalez: "I am a person of Mexican descent, and proudly so. My citizenship is not in any way qualified - I am an American, plain and simple. I think what you have to understand and appreciate is that there is no standardized person called a Mexican-American. We are talking about a people of great diversity and of rich heritage; we are talking about a people who defy definition, and about whom no one could honestly generalize."

HON. EDWARD R. ROYBAL D-CA *

2211 Rayburn HOB
(202) 225-6235

Committee on Appropriations; Subcommittees: Labor, Health and Human Services and Education; Treasury-Postal Service and General Government - Chairman.

Select Committee on Aging - Chairman; Subcommittees: Retirement Income and Employment - Chairman.

Edward R. Roybal is the Representative of the 25th Congressional District of the state of California. His district includes the predominantly Mexican-American communities of Boyle Heights, Highland Park, and East Los Angeles. Congressman Roybal started his public career during the early 1940s as a public health educator in California. In 1949 he won election to the Los Angeles City Council, a position which he held for over 13 years. Roybal was elected to the 88th Congress in November 1962; he has since been elected to each successive term. After having served on the Interior Committee and the Foreign Affairs Committee, he was elected by his colleagues to the House Appropriations Committee, one of the key committees in Congress with authority to determine budget levels for federal programs and activities.

Congressman Roybal: "The Caucus is dedicated to reversing the national pattern of neglect that has plagued the Hispanic community for decades."

HON. E. "KIKI" DE LA GARZA D-TX *

1401 Longworth HOB
(202) 225-2531

Committee on Agriculture - Chairman

E. "Kiki" de la Garza is the Representative of the 15th Congressional District of the state of Texas. His district includes the Lower Rio Grande Valley and some of the interior counties between Corpus Christi and Laredo, though it contains neither of these two cities. Congressman de la Garza served 6 consecutive terms in the Texas House of Representatives prior to being elected to the 89th Congress on November 3, 1964. He has since been elected to each successive term. He is Chairman of the House Agriculture Committee, and has been a member of the U.S.-Mexico Interparliamentary Conference since 1965 - the first Congressman from the Texas-Mexico border to serve in this capacity since the organization was authorized.

Congressman de la Garza: "The Hispanic Caucus provides us with an excellent opportunity to fraternize with the vast Hispanic community throughout the United States and provide them with a forum at the highest level of government."

HON. MANUEL LUJAN, JR. R-NM

1323 Longworth HOB
(202) 225-6316

Committee on Science and Technology, Ranking Minority Member

Committee on Interior and Insular Affairs

Manuel Lujan, Jr. is the Representative of the 1st Congressional District of the state of New Mexico. The 1st District covers the northeastern and northcentral parts of the state. Congressman Lujan was first elected to the House of Representatives in 1968, the first Republican to be elected to the House from New Mexico in 46 years. He has served longer than any other member elected to the U.S. House of Representatives from the state. Lujan was the former Vice-Chairman of the New Mexico State Republican Party, and was also a former member of the Bernalillo County Crime Commission.

Lujan organized a group of leading New Mexicans to establish the First Congressional District Scholarship Fund. All monies raised are used to send students from high schools in the First District to New Mexico colleges.

Congressman Lujan: "It is imperative that we recognize the contributions of the Hispanic community to the American culture and that we encourage Hispanic participation in the political process."

HON. ROBERT GARCIA D-NY

323 Cannon HOB
(202) 225-4361

Committee on Post Office and Civil Service; Subcommittee: Census and Population - Chairman.

Committee on Banking, Finance and Urban Affairs; Subcommittees: General Oversight and Renegotiation; Housing and Community Development.

Committee on Foreign Affairs.

Robert Garcia is the Representative of the 21st Congressional District of the state of New York. The 21st District is the South Bronx. Most of its residents are minorities, mainly Puerto Rican and Black. He is the first New York-born Puerto Rican to serve in the United States Congress. He served for 1 year in the State Assembly and for 12 years in the State Senate, and from 1975 until his election to the Congress was Deputy Minority Leader in the State Senate. Congressman Garcia was elected to the 95th Congress in a special election in 1978. He joined the Congressional Hispanic Caucus in February 1978. He is a member of the 95th Congress New Member Caucus, the Democratic Study Group, and both the Black and Hispanic Democratic Coalition. He feels strongly about the needs of minorities.

Congressman Garcia: "The 80s are here and the Congressional Hispanic Caucus must respond to the challenge before them. Together, the Caucus and the national community must provide leadership if we are to fulfill the needs of the people."

HON. RON DE LUGO D-VI

2238 Rayburn HOB
(202) 225-1790

Committee on Interior; Subcommittees: Public Lands and National Parks; Insular Affairs.

Committee on Public Works and Transportation; Subcommittees: Aviation; Surface Transportation.

Committee on Post Office and Civil Service; Subcommittee: Postal Operations and Services.

Ron de Lugo is the Delegate to Congress from the Virgin Islands. Delegate de Lugo's grandfather migrated from Naguabo, Puerto Rico to St. Thomas, Virgin Islands in 1879. De Lugo was born in St. Thomas and was educated in the Virgin Islands and at the Colegio San Jose in Puerto Rico. He was program director and announcer, Armed Services Radio in 1948; program director and director, WIVI Radio, St. Croix in 1955. He is the founder of the Virgin Islands Carnival, 1952. De Lugo served in the Virgin Islands Legislature as a Senator from 1956-1966. He also was a delegate to the Democratic National Conventions in 1956, 1960, 1964 and 1968. He was elected first Washington Representative for the Virgin Islands from 1968-1972. He was first elected to Congress in the 93rd Session as the first delegate from the Virgin Islands in 1972 and has been reelected to each succeeding term.

Congressman De Lugo: "The Hispanic Caucus will provide an avenue for Hispanic leadership to work and bring together solutions to the problems and concerns of the Hispanic community."

HON. SOLOMON P. ORTIZ D-TX

1524 Longworth HOB
(202) 225-7742

Committee on Armed Services; Subcommittees: Seapower and Strategic and Critical Materials; Military Installations and Facilities.

Committee on Merchant Marine and Fisheries; Subcommittees: Fisheries and Wildlife Conservation and the Environment; Merchant Marine; Panama Canal and Outer Continental Shelf

Solomon Ortiz is the representative of the 27th Congressional District of the state of Texas. His district includes the counties of Cameron, Kenedy, Kleberg, Willacy, and part of Nueces. Congressman Ortiz has long been involved in the community. Some of the organizations that Ortiz is involved with are: The Boy Scouts of America, United Way of South Texas, Salvation Army, Community Blood Bank Muscular Dystrophy Committee, Young People Deaf Ministries, Mid-Management Department of Del Mar College, Sheriff's Officers Association, and is the Chairman of the Coastal Bend Major Crimes Task Force. After serving in the Army as a military policeman and criminal investigator from 1960-1962, Ortiz became a Nueces County Constable. In 1968 he became the first Hispanic elected to the Nueces County Commissioners Court and was reelected in 1972. From 1976 to 1982 Ortiz was the first elected Hispanic Sheriff of Nueces County. When redistricting gave Texas three new Congressional Districts, Ortiz ran for the 27th District race. Congressman Ortiz was elected to the 98th Congress on November 2, 1982.

Congressman Ortiz: "As Hispanics, we are united in our desire to increase opportunities, especially educational opportunities for our children. In Congress, I have the unique pleasure of serving with other Hispanic members of Congress to ensure that these goals will be realized."

HON. TONY COELHO D-CA

403 Cannon HOB
(202) 225-6131

Committee on Agriculture; Subcommittee: Livestock, Dairy and Poultry - Chairman.

Committee on House Administration; Subcommittee: Accounts; Personnel and Police.

Committee on Interior and Insular Affairs; Subcommittee: Public Lands and National Parks; Water and Power Resources.

Tony Coelho is the U.S. Representative from the 15th Congressional District of California, which includes a portion of Fresno, and all of Mariposa, Merced and Stanislaus counties in central California. He was first elected to Congress in 1978.

In January, 1981, Coelho was elected Chairman of the Democratic Congressional Campaign Committee, the primary campaign organization for House Democratic members. His tenure as Chairman has been marked by the establishment of the Democratic Media Center. Coelho serves as Majority Whip-At-Large and as a member of the Democratic Steering and Policy Committee. He also served as Speaker Thomas O'Neill's personal representative to the Executive Committee of the Democratic National Committee from 1981 to 1984.

Coelho currently serves on the Board of Directors of the Epilepsy Foundation of America, and as one who has epilepsy, is also an advocate on behalf of other persons who have epilepsy.

Congressman Coelho: "I'm very pleased to be part of the Congressional Hispanic Caucus. The Caucus serves as an effective tool for those of us in the house who are alert and involved in the issues that affect the Hispanic community, both within our Congressional districts, as well as the nation."

HON. JAIME FUSTER D-PR

1428 Longworth HOB
(202) 225-2615

Committee on Banking, Finance and Urban Affairs; Subcommittees: Housing and Community Development; General Oversight and Renegotiation; International Finance Trade and Monetary Policy.

Committee on Interior and Insular Affairs; Subcommittees: Public Lands. Mining and Natural Resources; National Parks and Recreation.

Jaime B. Fuster is the Resident Commissioner of the Commonwealth of Puerto Rico and represents the 3.5 million citizens of the island. He is a professor of law who served as Dean of law at the University of Puerto Rico, and Deputy Assistant Attorney General in the United States Department of Justice. In 1979, Fuster was selected for Who's Who in American Law, and in 1978 he was one of the outstanding young men of America. From 1974 - 1979 he served on the Interamerican Bar Association.

Before running for elective office he also served as consultant to the Civil Rights Commission of the Government of Puerto Rico, and to the environmental Quality Board of the Government of Puerto Rico. He was elected to the 99th Congress.

Congressman Fuster: "I represent 3.5 million U.S. citizens of Puerto Rico. I identify fully with the 20 million Hispanics across the nation and the issues that affect them."

HON. ALBERT G. BUSTAMANTE D-TX

1116 Longworth HOB
(202) 225-4511

Committee on Armed Services; Subcommittees: Military Personnel and Compensation; Procurement and Military Nuclear Systems; Seapower and Strategic and Critical Materials.

Committee on Government Operations; Subcommittees: Commerce, Consumer and Monetary Affairs; Environment, Energy and Natural Resources.

Albert G. Bustamante represents the 23rd Congressional District of Texas. The 23rd district includes the counties of Webb, Dimmit, Zavala, Kinney, Uvalde, Medina and part of Bexar.

After coaching and teaching for seven years, Mr. Bustamante spent three years as a United States District Congressional Assistant. He first sought elective office in 1974 and won the post of Precinct One Commissioner of Bexar County (San Antonio). After serving one five year term, Mr. Bustamante won the position of County Judge, again in Bexar County. In 1984, he unseated the incumbent United States Representative from the 23rd Congressional District of Texas in the Democratic Primary and ran unopposed in the November general election.

Congressman Bustamante has been an active civic volunteer in his community on behalf of women, the disabled, the Boy Scouts and the hearing impaired. He has received the highest and coveted Silver Beaver Award, given by the Boy Scouts of America.

He was elected President of the Democratic Freshman Class of the 99th Congress.

Congressman Bustamante: "The Congressional Hispanic Caucus represents a significant and growing segment of American society. As a new member of Congress and the Caucus, I am eager to meet the challenges which face the Hispanic community."

FOUNDING MEMBERS *



SAN DIEGO

HOUSING COMMISSION

BEN MONTIJO • EXECUTIVE DIRECTOR

September 17, 1985

Honorable Henry B. Gonzales
United States Congress
2129 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Gonzales:

Presented for consideration of the Committee on Housing at its hearing of September 18, 1985 regarding Housing Needs and Problems of Hispanics.

Statement of Ben Montijo, Executive Director, San Diego Housing Commission:

Honorable Congressman Gonzales and Committee Members, thank you for the opportunity to present this information to you. I will be brief and to the point on two problems of major concern.

The first is that Hispanics have need for larger bedroom size homes because the immediate family (father, mother, sons and daughters) tend to be larger than the average American families. Also, Hispanic families more frequently have extended families living together.

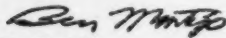
Given that need, the problem is that both the private sector producers of housing and public producers of housing develop smaller bedroom size units. They do this because they believe it is more cost efficient to build lesser number of bedroom homes and easier to manage the less densely populated rental projects. Since the primary focus of this hearing is low income, the solution is within the bounds of authorizing not only more public housing units but to allocate larger bedroom sizes in communities with highly significant Hispanic populations. To further evidence the problem approximately 20% of all households in public housing in San Diego are Hispanic but 50% of all our three bedroom units are occupied by Hispanic families, and many other Hispanic families cannot be housed because they need more than three bedroom size units.

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A second problem is the prospect that local housing authorities will be required to verify if hispanics are in this country legally in processing their applications for tenancy in public housing. Approximately a year ago tentative regulations requiring this verification were published by HUD. Final regulations have not been made but if they are forthcoming, they will create much extra work, cost and embarrassment for housing authorities and American citizens of Hispanic decent.

Thank you again for the opportunity to provide this information to you.

Respectfully submitted,



Ben Montijo
Executive Director

BM/rmo

